

**Meeting Minutes  
Triumph Gulf Coast, Inc.  
Walton County Commission Chambers  
570 U.S. Highway 90 East  
DeFuniak Springs, Florida 32433  
May 11, 2023  
10:30 a.m. CT**

**Members Present:**

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

Jay Trumbull, Sr. - excused

Chair David Bear called the meeting to order at 10:30 a.m., CT and reminded everyone that following this meeting there will be a Committee of the Whole Meeting at 12:30 p.m. CT to discuss the impact of legislative actions on project funding, types of proposals that are difficult for Triumph to fund due to statutory and board restrictions and some other issues that have made it difficult to move projects forward.

Executive Director Susan Skelton called roll and announced the presence of a quorum. Chair Bear asked Ms. Skelton to introduce staff.

**On a motion by Collier Merrill, and seconded by Reynolds Henderson, the March 31, 2023 Meeting Minutes as circulated were approved without objection.**

**Project Highlights**

Chair Bear called on Walton County School Superintendent Russell Hughes to provide an update. He thanked the Triumph Board for the opportunity and introduced Dr. Jennifer Hawthorne, Deputy Superintendent, and Ms. Crystal Appel, CTE Coordinator. Superintendent Hughes thanked Dr. Fuller for the work thus far for the community. He noted that the Walton County School District is a reputable school district and plans to continue as such. He provided some highlights of what has been done so far as well as some future projections and a project that the district plans to bring to Triumph in June. He noted that the Board has been provided with a copy of the presentation.

The district has coined the acronym EPIC, which stands for Excellence, Professionalism, Innovation, Collaboration. Walton County School district is ranked #3 in Florida for all assessment areas. The district has an A+ rating for four consecutive years, which is the first time ever; there are no C schools in Walton County. The County is ranked #1 by the Florida Policy Institute.

Superintendent Hughes noted that there have been over 22,200 industry certifications obtained by

Walton County students in 2021-2022 and this is an increase of 287% since 2016. The school district has generated \$434,000 in CAPE funding in 2022, which is an increase of \$200,000 since 2016. Emerald Coast Technical College has a 97% pass rate on postsecondary certification.

Ms. Appel relayed successes from the current Triumph grants. The district has been able to extend dual enrollment at the Magnet Innovation Center in WaterSound through the Emerald Coast Technical College (ECTC). They are very excited for Applied Information Technology. The district is working very closely with the college on a CTE summer program. It is a collaborative project funded by Triumph. Superintendent Hughes has collaborated on pathways becoming better aligned at the college and has worked on future land and campus collaboration.

The district has increased professional development for elementary teachers and has been able to provide digital tool certification in 5<sup>th</sup> grade. In the future, we are going to be able to take it to 3<sup>rd</sup> and 4<sup>th</sup> grade. Through Triumph, the district has been able to extend work-based learning opportunities in aviation and service industries for both military and private sectors. Superintendent Hughes was the first to bring Embry Riddle into Walton County School District. The district is strengthening partnerships.

Ms. Appel gave a preview of what's to come for the Walton County School District. The "I" in EPIC that Superintendent Hughes referenced stands for Innovation. The district is constantly seeking out ways to become innovative for its community and students. The leadership team has recently traveled many places to find out how they can strengthen CTE. They have been to California and Ohio, and they will be visiting two campuses in South Florida that have state-of-the-art CTE programs within their high schools.

The district is looking for how it can improve programs at schools such as Paxton which already has a strong agricultural program. It has formed collaborative workspaces that in areas that already have community involvement. Leadership has visited high schools where the community comes in to teach such as a florist that comes in to help entrepreneur students. The district plans to bring a pre-application for an EPICenter to build on to the district office to have headquarters that really focus on career and economic development in Walton County. It will focus on secondary and postsecondary career and technical education. The center will be used for tutoring exercises and a place for the community to come together to focus on industry certifications and workforce. The plan is to bring in a new wing at each of the high schools that will look like the actual job site, not just a typical classroom.

Superintendent Hughes added that with this projection, this outlook and innovation, the district is going to bring the community in to work directly with students. They want to foster an atmosphere where collaboration is directly from the experts in the community and in the workforce.

Chair Bear thanked Superintendent Hughes, Dr. Hawthorne, and Ms. Appel for the update. Mr. Collier Merrill asked Superintendent Hughes how long he had been with the district. Superintendent Hughes stated six years. He noted that he was principal at Walton High School and prior to that, he was principal at Walton Middle School. Superintendent Hughes noted that he is a product of Okaloosa County and then married a lady from Walton County that drew him over.

Mr. Henderson stated that he is excited about the project and was able to go to Ohio with the team. The facilities there were amazing. The district is looking at a smaller project here. He asked Superintendent Hughes if they plan to get the application together quickly. Superintendent Hughes said absolutely; the plan is to have it to Triumph by June 30. He noted that some of the things that were seen in Ohio possibly could not be done in Florida because of some restrictions. But with this Board's support, he promises to stay EPIC and to have something innovative, actionable, and great for children.

## Treasurer's Report

Mr. Reynolds Henderson noted that Triumph had received the annual \$80 million check from the State of Florida settlement with BP. He then turned the floor over to Mrs. Jennifer Davidson, CPA, to review the financial statements. Starting with the March statement, she noted there was \$535 million in the bank and \$2.2M in interest payable (March only). The statement of activity by county shows Triumph distributed \$2.8M in grant funds in March. The budget vs actual comparison for administrative costs was under by \$8000.

Mrs. Leslie Weiss asked if Triumph is able now to keep the interest earned. Mrs. Davidson and Ms. Skelton noted that this has not occurred yet. Mr. Humphreys asked what the interest rate is for the funds. Mrs. Davidson noted that the rate fluctuates, and she is unsure what the March rate was but can email that information to him. Mr. Henderson noted that the rate keeps going up; Mrs. Davidson agreed and noted that it is significantly more than it was last year. **Mr. Henderson made a motion to approve the March 2023 Financial Statement as presented. The motion was seconded by Mrs. Weiss and approved without objection.**

The April financial statement shows there was \$615.5 million in the bank which includes the \$80 million deposited in April. The interest payable in April was \$2.2M. The statement of activity for the month of April shows the settlement revenue. The statement of activity by class for the four months ending April 30 shows the distribution by county for the year to date of \$8.7 million. The budget vs actual for the four months ended April 30 shows under budget for administrative costs by approximately \$38,000.

Mr. Bryan Corr asked if the interest rate is determined by the State Fund that Triumph's money sits in. The treasurer does not decide about where it is placed. Mr. Henderson and Mrs. Davidson noted that it is in the Florida PRIME account. Mr. Merrill noted that interest rates have gone up. It appears that the money is getting about 50 basis points of use. Mr. Henderson noted that it is likely possible to get a better rate but that the Florida system is the safest. Mr. Henderson noted that most of the interest has been earned in the last eight to nine months. Ms. Skelton noted that Florida PRIME is the landing spot for all the local governments and all other government funds. The collaborative fund takes the total amount to market; they have a long history of having a good solid return on the interest. Using Florida PRIME was a choice that an earlier Board made as an appropriate place to put Triumph's funds. With the FDIC caps, Triumph would need to have over 50 banks to try to cover the money. As a matter of expediency and a matter of safety, the Board put the money in the PRIME account in the beginning and we have had a good working record with them. **Mr. Merrill made a motion to approve the April 2023 Financial Statement as presented. The motion was seconded by Mrs. Weiss and approved without objection.**

Mrs. Davidson also provided an update on the annual financial audit from Warren Averett. It has been completed and a draft has been provided. It was not received in time to be publicly noticed for this meeting. It will be before you at the June meeting for approval. There were no findings and there was one small adjustment that will be discussed at the next meeting. It was moving the \$5 million of administrative to be shown on the financial statements as a set-aside.

## Staff Report

The legislature adjourned on May 5. Senator Broxson and all the members of our delegation did outstanding work to help move items of importance to Triumph. All the issues discussed today are effective on July 1st, if not vetoed. Just a refresher, the Governor can sign legislation, he can veto legislation, in the case of the appropriations bill, he can line-item veto within the appropriations bill, or

he can let bills become law without his signature. So generally, just as a time frame when the legislature sends the Governor a piece of legislation, he has 15 days to sign the legislation. There is no time limit on when the legislature can send legislation to him. Over the next month or two, you'll see a lot of bills come in at different intervals. They have not yet sent the appropriations bill. They generally try to hold that towards the end, so we don't know when that will go to the Governor, but we may be a little bit accelerated this year. Generally, it takes about six weeks to two months for everything to clear out of the legislature and the Governor's office. With that caveat. Ms. Skelton explained some things that happened and said she would talk more in the afternoon about the impacts on Triumph.

The most important thing is that the implementing bill, which is the operations bill that goes along with the appropriations bill, included language that will allow Triumph to collect and keep all interest earned from July 1, 2023, until June 30, 2024. Those funds are not restricted, and they may be used for grant awards and administrative costs. This will allow Triumph to take care of the issues that we've faced with the administrative costs section of our budget. We are very, very appreciative of this language and hopefully it will become law soon,

House Bill 5 was the bill that took all the roles and responsibilities of the EFI and folded them into a newly formed Department of Commerce. The Department of Commerce replaces the Department of Economic Opportunity, which replaced the old Department of Commerce. What's old is new again. We are back to the Department of Commerce and the EFI functions are rolled into that department. Visit Florida and the Sports Foundation are moved to the Department of Commerce, and they are allowed to form direct support organizations to perform the functions that they currently perform. Visit Florida was funded for \$80 million in the budget. The Office of Film Industry was deleted, but the functions remain under the Commerce Department. All the things that the Office of Film Industry did are now part of the Department of Commerce. There are very specific definitions on what is and what is not economic development in this bill, which the Board will discuss more this afternoon, but they lined out and designed some of the definitions of economic development there.

Last month the Board talked about affordable housing language and that there was a potential for some of that language to be put into a bill. It got in a bill, it got out of the bill, it got changed. But in the end, the Senate just took it out and specifically noted that the State had appropriated \$700 million to affordable housing and Triumph should not be using its funding for housing. That was a statement made in a committee meeting in the Senate so that was straight direction on that issue from the legislature. The House accepted that position and passed the bill without Triumph language in it. It was a bill related to rural economic development. Several rural economic development programs that benefit our smaller counties, including some assistance for airports, passed. Staff is still looking through the bills that passed but we are optimistic for good new opportunities for our rural counties and particularly rural airports that passed in Senate Bill 1250.

There was a heated discussion in the legislature about drones that had been grounded at the statewide level. And ultimately, the legislature appropriated \$25 million to replace the law enforcement drones for local and state law enforcement agencies. Nothing for schools but for those law enforcement agencies. That is a vetoable line item in the budget. There was nursing and workforce funding across the high school, college, and university levels. Ms. Skelton sent out last week the list of appropriations by county. It wasn't by any means a complete list, but it was the highlight list of all the funds that were made available to the counties and there were some good projects included. For example, the Apalachicola Bay Restoration funding for \$17 million, which was partially Federal funding authority and then \$10 million of State funding. Walton County had great success this year; Escambia County had wonderful success this year. There was funding for several of the projects that Triumph has already assisted with, including the Whiting Air Park. They got funding for the taxiway and aprons for the runway. Mr. Henderson thanked Ms. Skelton for providing the list. He asked that as things get updated,

the lists be updated. He also asked Ms. Skelton to expand on the rural assistance for airports. Ms. Skelton stated that staff is still looking at Senate Bill 1250 and can report back to you at the next meeting. She noted that Opportunity Florida and the Department of Commerce's rural arm are looking at it as well.

Last month, Ms. Cori Henderson, Dr. Rick Harper and Ms. Skelton met in Franklin County, with Mrs. Weiss and the County Commission Chair, the County Manager, the Mayor of Apalachicola, the Mayor of Carrabelle, and the respective City Managers, and had a positive meeting. Mrs. Weiss stated that it was exciting to finally see Carrabelle, Apalachicola, and Franklin County all in one room at one time, absolutely trying to work together for the greater good of all of them. Franklin County and Carrabelle both have airports that may be coming to Triumph for funding for runway expansion or other opportunities. The City of Apalachicola is working on a marine haul out project. There are a lot of opportunities in that area. Mrs. Weiss was excited by the positive energy in the room.

Mrs. Weiss added she had learned from that meeting that the Franklin County Airport is within the 50-mile radius of Tyndall so that makes them eligible for a lot more funding. Ms. Skelton noted that there is a cutoff point from where Tyndall makes recommendations for businesses, but Apalachicola is in the circle. Ms. Henderson noted that it is not uncommon for DoD to ask defense contractors to be within 50 miles of a base that they're working at, and the Apalachicola Airport is within that 50-mile radius so that may allow them some opportunities, as Tyndall reopens and starts getting the unmanned missions to that. The bill authorizes FDOT to prioritize rural airports. It has language which defines which rural airports would be eligible. If those airports had access to non-state matching dollars, it required prioritization by FDOT for some programs.

Ms. Skelton said that there is an issue coming up later in the legal report that has to do with Port of Port St. Joe. She pointed out that when you look at the list of statewide funding, there's several hundred million dollars of funding available for seaports through different programs and for rail and intermodal. Hopefully the Port of Port St. Joe will be able to work with DOT to try to find the funds that they need to solve the match shortfall they are facing.

Mr. Merrill asked Ms. Skelton who she thinks will lead the Department of Commerce. Ms. Henderson noted that the Florida Economic Development Council (FEDC), the association for the all the economic developers in Florida, met this week. Laura DiBella was there, and she tried to be as open and honest as she could about what she knew with the community and all the EDO's. The Governor has not decided yet. There are acting directors of a few of the entities and no decisions have been made. Mr. Merrill noted that it is almost back to the old OTTED (Office of Tourism, Trade and Economic Development) with having it all together again. Ms. Skelton noted that the evolution was Department of Commerce, OTTED, DEO, and now we are back to Commerce again. Mr. Merrill stated that they could get Dr. Pam Dana back there again. Ms. Henderson noted that no decisions have been made as of two days ago.

Chair Bear commented on Ms. Skelton and her knowledge of what is going on. Chair Bear thanked Ms. Skelton for staying up to date because clearly there were a lot of things happening this year. Some legislation was opening the Triumph statute, which is obviously terrifying because we never know how it's going to shake out in the end. Ms. Skelton noted that we couldn't have done it without our delegation. They really pulled through and made sure that Triumph was protected. Chair Bear also offered a big thank you to the delegation. Hopefully we can get it past the Governor's pen for the efforts. Obviously, we have had conversations about our administrative and compliance work that we are going to continue to do and that expense moving on beyond the granting of the funds until the program's end and how we're going to continue to be able to pay for that. We were lucky last year when we got the \$5 million but playing that out over time, if we're getting a lot of smaller grants, that's a

lot of compliance and a lot of expense to do that. Chair Bear thanked Senator Broxson for his leadership and making that an opportunity for us to hopefully receive and retain the interest earned this next year. Using it for administrative overhead in addition to the program, so hopefully that can carry us through the program.

## **Legal Report**

Chair Bear called on Mr. Alan Manning, Legal Counsel, to present the legal report. Mr. Manning noted that he would be talking about five proposed amendments to existing grant award agreements. He also has two brief updates and would like to add one item that's not on the agenda to discuss at the end. It is a proposed resolution on a for a new policy to be adopted by the Board.

The **Proposed First Amendment to Grant Award #148 – Gulf County School District –Agri-Science Program Expansion - Adjustment of Performance Metrics** does a few things. It will reduce the grant award amount by \$16,354. It will increase the matching funds by the grantee of \$1,864 and then reduce the total project cost by \$14,490.00. These changes reflect the actual costs that have been incurred by the program. The amendment also reallocates some of the funds among some of the budget categories and then amends the performance metrics to reduce the number of required certificates from 90 to 40 and extends the deadline for completion. There is a post-completion maintenance requirement that originally was going to be six years and that is being reduced to three years.

Ms. Henderson noted that the Board will be hearing three Gulf County School District project amendments today. She noted that these grants were entered into pre-Hurricane Michael. These three agreements were very early Triumph grants. During a time when the board and staff were still learning about what were appropriate costs, what were appropriate outcome measurements and so each of these is working with Gulf School Districts so they can be successful in right sizing the agreements to what Triumph does today and what would have been approved today, so that they can continue to be successful. In today's time versus pre–Hurricane Michael.

**Mr. Merrill made a motion to approve the Grant Award Agreement as presented. The motion was seconded by Mrs. Weiss.** Mr. Henderson asked that while it's not a lot of money, why would the certifications drop from 90 to 40. Ms. Henderson stated that the per cert cost will go up to \$3,125 which is a little bit expensive for that type of certification but based on the work that the students are doing, and the challenges that they have overcome to maintain the program and working with them, Dr. Frank Fuller, Education Advisor, and she felt that was something they could attain. These students could be successful. The Triumph funds were used to buy a tractor and a greenhouse, and so staff was trying to balance the input of Triumph with the reality of what the outcome could be. Mr. Henderson stated that he was just curious as to why the certifications went down.

Ms. Henderson stated their enrollment took some significant hits after Hurricane Michael and then COVID. The district has had some teacher changes which have caused challenges to maintaining the program but the students are enrolled and would like to complete the program. Ms. Skelton noted that is one of those early projects where Triumph was aspirational when we put this grant in place. We thought that the Deseret organization would probably employ students coming out of this program. We thought there'd be more interest among the students because we weren't sure exactly what the makeup of the student population was. This was sort of a SWAG when it started and we're now facing what the reality of what can be done there and what they're able to do with their match, and this is a respectable way to continue this grant in a manner that makes sense and then redirect future funding into programs that are probably more needed there. Dr. Fuller added that in the original proposal, there was a massive, in his estimation, farm being built on the north end of those counties that was going to

produce high-end cattle for restaurants in the Northeast United States market. They had an interest in expanding to drone applications, running the fences, checking feed, finding cattle, so we included that. Since that time their demand has reduced significantly, and they just simply don't have a big demand. So that's why we reduced the number to 40.

Chair Bear asked if anyone from the public wished to be heard on the proposal. Mr. Jim McKnight, Director of Economic Development Coalition in Gulf County, said he anticipated that the district might not be represented at this meeting, so he met with the Superintendent yesterday. He noted that the three Gulf County School District agreements were put in place several years ago because the district looked at the industries coming to the county. Deseret Cattle and Timber owns half of the property in Gulf County, so it was important that we looked at their needs. This program is and will in the future continue to create work in their area. That is true with the next two amendments the Board is going to consider. He encouraged the Board to continue the programs. If these are adjustments the district has asked staff to make, that's what will work. The county anticipated what was needed. They put the grants in to get to train that workforce. It's working well in our county. The school district is creating people to work and most importantly, those people are getting jobs and now Gulf County has the third lowest unemployment rate in the State of Florida. Mr. McKnight gave credit to these programs that are training people to work in jobs that are located in Gulf County. Mr. McKnight encouraged the Board to go forward with the plan that's been proposed.

Chair Bear asked if anyone else from the public wished to speak on the amendment.

Mr. Clay Adkinson, City Attorney on behalf of the City of Defuniak Springs, thanked the Board for holding a meeting in the city and welcomed the Board and guests. He spoke on behalf of City Council because the City of Defuniak has been working on a Triumph proposal for over three years.

Chair Bear noted that the Board is only hearing public comments related to Gulf County's program amendment right now and that there would be time later in the meeting for public comment on any other topics.

Mr. Adkinson continued to speak on the unrelated proposal. He said that what the Board is considering now is a wonderful amendment and that he fully supports the Gulf County School District amendment under consideration and wanted the Board to understand that. But he wanted to call out that the City of Defuniak Springs looks forward to an opportunity to present a proposal that is no different than the type of proposal being considering now. He said the city has put forward three years' worth of work to come to Triumph with a project that's not going to have to go through amendments. Mr. Adkinson stated that the city looks forward to submitting a fully formed proposal. He thanked the Triumph staff for working with the city and said he specifically wanted to acknowledge Dr. Fuller, who has been nothing but a wonderful steward of this Board in the guidance he has provided. Dr. Fuller brought forth a potential training partner who the Board is familiar with and understands where that relates to the other counties in this region. The city looks forward to bringing you a transformational project. Mr. Adkinson said Mr. Scott Remington, Legal Counsel, will be getting a letter from the city to Triumph Board in response to the draft proposal that Triumph staff has assisted the city with in an effort to resolve ongoing discussions about the proposed project. He said the city looks forward to speaking to each of the board members about the project on its new course in a different time.

After Mr. Adkinson finished his comments, the Board resumed its consideration of the agenda item.  
**The motion passed unanimously on a roll call vote (6-0.)**

The second amendment for consideration was **Proposed Second Amendment to Grant Award Agreement #153 – Gulf County School District – Unmanned Systems - Adjustment of**

**Performance Metrics.** This amendment would reduce the grant amount by \$100,000, reallocate some funds among the different categories, and change the performance metrics by reducing the number of required certificates from 525 to 150 and then extending the completion deadline. Ms. Henderson noted that this grant was pre-Hurricane Michael. At the time, Tyndall Air Force Base was to receive a mission related to large unmanned systems. Triumph wanted to assist the Gulf School District in preparing its students for future opportunities. It was the first unmanned systems program that Triumph worked on and so again, no students had taken part in our region, and this was a test case. Gulf School District went into it as a test with us and now, recognizing post-Hurricane Michael, post COVID, what their needs really are. This increases the cost of the certification \$4,333, which for school district unmanned systems certification is in line with today's costs.

**Mr. Henderson made a motion to approve the amendment as presented. The motion was seconded by Mr. Merrill.** Mr. Corr asked how much of the money has already been spent. Mrs. Davidson stated that as of the last disbursement, based on the old budget, there is still \$353,315 left. Mr. Corr stated he assumed that we would continue disbursements for personnel, but they are not buying more drones. Ms. Henderson stated they still have the funds to replace the drones and that's in process right now awaiting this amendment. The County has two high schools and so it costs a little bit more to operate their drone program than it does Franklin and Wakulla Counties, because they must have two sets of everything. This amendment will require them to continue the program past the Triumph Funds which the original grant did not.

Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on roll call vote (6-0.)**

Mr. Manning then presented a **Proposed First Amendment to Grant Award Agreement #180 – Gulf County School District – Wewahitchka High School Welding Program - Adjustment of Performance Metrics.** This proposed amendment does not change any of the dollars in terms of the grant amount or the matching funds. It reallocates money among some of the budget categories and changes the performance metrics, no reduction or change in the total number of required certificates. The original grant award agreement called for 10 certificates per year over a five-year period. This change requires them to have 50 certificates total by the end of the grant period. Ms. Henderson noted this has been a very successful program. The kids are very engaged, and staff has shared some of the press releases the school district has provided with the Board. **Mr. Henderson made a motion to approve the amendment. The motion was seconded by Mr. Merrill.**

Mrs. Weiss asked, knowing the end of the term is 2025, how many certificates have been awarded so far. Ms. Skelton noted that the district has partnered with Eastern Shipbuilding. They are funneling students into the Eastern Shipbuilding job market as they come out of the welding project. Ms. Henderson said that Dr. Fuller can explain the process in a little more detail, but it takes two years before the student can receive their first certification, and so they've already earned 14 of the certificates. We expect another group at the end of this school year. In addition, this the amendment will allow the students who are going into the second level to count towards the 50 as well. The way it's written now is making it more difficult for the more advanced students starts to count for the program.

Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on a roll call vote (6-0.)**

Mr. Manning explained the **Proposed First Amendment to Grant Award Agreement #191 – Franklin County Board of County Commissioners – Apalachicola Regional Airport Fuel System Upgrade.** This involves some improvements to the fuel delivery system at Apalachicola Regional Airport. This proposed amendment would increase the grant amount by \$1,252,182 to bring the total grant amount

to \$2,311,182. It would increase the matching funds required by the grantee from \$25,000 up to \$50,000. It would decrease the matching funds that were required under the grant agreement that were coming from FDOT by \$1,960,549. This decreased the total cost of the project by \$683,367 and extends the completion deadline for the project by one year to December 31, 2024.

Ms. Skelton noted this is a unique project on multiple levels. This is in one of our smallest rural counties where we have struggled to find ways to spend funds, and this was a project that we thought was the art of the possible. It has struggled and it was originally conceived, after Hurricane Michael, but prior to COVID. The county has gone to bid on this project three different times and received one bid. We are pretty sure that this is what the market price is for this service and product. This is an Emergency Management project. This is not tied to jobs. This is tied to emergency capabilities and at the time the Board put this project up for discussion, there was a lot of discussion about the fact that during Hurricane Michael, which came in obviously a lot harder and faster than anybody expected, the preparations that had been made for fueling and for runway capability across the region were extremely challenged after the storm. The Apalachicola Airport became the base of operations for all the state, federal, and local response capabilities because they were the only heavy runway with a mile long strip that you could put anything down. All the federal agencies, Coast Guard, FEMA, Washington, different agencies that were coming in to visit as well as the state response teams were using this airport. In its daily operations, this port is the center point between Clearwater and Mobile, which are the two Coast Guard bases that serve the Gulf of Mexico for our region, and they have multiple stop-and-go flights those that come through there related to Coast Guard travel. It's a midpoint for those two Coast Guard bases. It's also used by the US Air Force for training touch and go programs. In fact, when we discussed this before, the Air Force indicated to us that if that facility could get the infrared landing capabilities there, they could do all their training off Tyndall and Eglin that required off site training at that one location.

The board made a considered decision to go forward and support this project even though it has an extremely low match amount in it. The reason that the DOT grant is reduced is because they were able to complete the projects that they were doing there at a lesser cost. This is a unique project, but staff is comfortable recommending that due to the need on that coastline, to have a capable, functional fuel system there. We would recommend going forward with the funding. The funding is for the fuel tanks and a generator to operate them in an emergency. This is a marine and aviation emergency management project, which is different than anything else that you'll see coming before the Board.

Dr Fuller noted that prior to the hurricane, we had three major economic development visitors to that airport. General Electric and several corporations were interested in using that facility because the runway was built for bombers and the training missions, they did back during the training sessions for World War II. There was a lot of build up at that time to try to prepare for potential industries moving into the area. One of them was a company that manufactured engines. After Tyndall effectively closed down post Hurricane Michael, those companies did not follow up. Now that Tyndall is coming back online further development interest is possible.

Ms. Skelton noted the County Commission chair was sorry that he was not able to be here today, and the county manager was trying to come. However, coming from a small county, they were not able to leave their posts today. They had other prior obligations that needed tending to, but obviously they would support following through with this unique proposal. **Mrs. Weiss made a motion to approve the amendment. The motion was seconded by Mr. Henderson.**

Mr. Henderson noted that there was no debate in his mind as he thinks this is a great project. It shows that the city and the county are working together to do something good, and the small counties need

this funding. He thinks this is exactly what Triumph wants for the several small counties and several of them are underfunded. Mr. Humphreys asked if having the IFR open to the market or what benefits would they get from adding that capability. Ms. Skelton said this is a general aviation airport, but the military uses it for landing practice, touch-and-goes, and the military indicates that there are other testing capabilities that they could use the airport for. This is an airport that serves a large tourist market with St. George Island and as we were talking with Mr. Corr yesterday, their daily activity level is about 67 flights a day. It is a very active general aviation airport, but they also serve these other emergency management and military functions that are outside the scope of what their infrastructure needs would be for job creation. They do have some ideas about how they can do more job creation around the airport as well. The county owns some property. Unfortunately, some of the property that it owns was purchased with conservation grants, and so they can't be used for specific industrial uses, but they're very intent on growing that airport. The problem is that the land is limited as far as its uses are concerned. But the military is the organization that reached out about the infrared landing because they can use it for more night training in that event. Mr. Humphreys asked if they had a manned tower there. Ms. Skelton stated there is not a tower. It was built pre-World War II. It is a mile-long strip, about 5,271 feet, but it is built for heavy aircraft. They do have a cross runway that needs some renovation work, but at this point the main runway is the one that the county is focusing on.

Mr. Henderson noted that tourism is a very important part of Apalachicola, like other counties, like this county. He thinks airports are so important to get it right, because there is a massive amount of demand. He notes that as people get tired of the prices over in Walton County, they will go over to Franklin County.

Chair Bear asked if anyone from the public wished to be heard on the amendment. No one came forward. **The motion passed on a unanimous roll call vote (6-0.)**

Mr. Manning gave a review of **Proposed Third Amendment to Grant Award Agreement #213 – Florida's Great Northwest –Education ROI Research and Marketing**. This proposed amendment would reallocate some of the money among budget categories that do not involve any new additional money. It makes some changes to the performance metrics. This project does not create any certificates or job performance metrics. The grantee is required to deliver certain employment-related reports and the proposed changes simply involve changing the source of data that they use in connection with pulling those reports. There was a source specified in the original grant award and they are requesting that be changed. The amendment extends some of the deadlines for achieving the performance metrics. Ms. Henderson noted the report in reference is the labor supply demand study that was presented to you earlier this year. There was a data source that had been anticipated that they could utilize, and it was very expensive to access. This amendment reallocates those dollars into future years of marketing. As we discussed last month with the "swoosh", marketing is an early component of how to recruit companies such as those the Board will hear about later today. This just elongates how they can use the funds for marketing over more time.

Ms. Jennifer Conoley, President of Florida's Great Northwest (FGNW) thanked the Board for its consideration of the amendment. The update will allow FGNW to continue broadcasting the message of the opportunity that the region has with the Triumph Gulf Coast funds. FGNW has seen significant success in its efforts, certainly as seen through some of the projects that Triumph has supported over the years. She noted that she was in Orlando earlier in the week and brought home a marketing award from the Florida Economic Development Council's conference for FGNW's efforts in talking about the good news of Northwest Florida. This amendment will allow them to continue that message and they appreciate your support.

**Mr. Merrill made a motion to approve the Proposed Third Amendment to Grant Award Agreement #213 – Florida’s Great Northwest –Education ROI Research and Marketing. The motion was seconded by Mr. Henderson.** Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed on a unanimous roll call vote (6-0.)**

Mr. Manning gave an update on **Grant Award Agreement #237 – Port St. Joe Port Authority Dredging and Shipping Channel - \$15,000,000**. There was a deadline in the original grant award agreement of July 3, 2023, for the grantee to provide its sources of matching funds. They are not going to be able to make that deadline. The port authority has notified staff that they are going to be submitting a formal request for an amendment. There is not an amendment up for approval at this meeting. Staff will review the proposed amendment and will have more information at the next meeting.

Mr. McKnight stated that he had attended the Port Authority meeting yesterday. He is aware of a delay as they need \$20 million from Florida Department of Transportation as part of this \$56 million project. FDOT wanted to do a strategic plan that had milestones and target dates. It has been promised to the port for eight or nine months. They're supposed to receive that at their July Board meeting. That's the next step in the process so an extension would be asked for.

Mr. Manning provided an update on **Proposal #290 - Escambia County Board of County Commissioners – OLF-8 Phase 1 Infrastructure – up to \$14,200,000**. There is not a specific update, but staff is following the project in the media in terms of the County Commission trying to decide how they want to move forward with the project. Neither the legal staff nor the staff of Triumph has received any specific information or updates since our last meeting.

Chair Bear noted that he did not attend the BOCC meeting but viewed it online last week. The possible sale was not an agenda item, but they did have some discussion about it. The County Commissioners didn't take any action. The update at our last meeting was that they had received some unsolicited bids for the property, and since then the BOCC had a public meeting. Only one of those bidders showed up, which was D.R. Horton, to discuss their bid. At last week's BOCC meeting, commissioners were discussing what possible guardrails they wanted to put on the discussion or the ability for their staff to negotiate with D.R. Horton for the purchase of that land. They were talking about holding back a significant piece up to 250-275 acres for commercial/industrial development, which was what was in their DPZ master plan that they had adopted. They had discussion about the legislation that has now been signed into law that if they sold the entire property, they could no longer control that industrial development. If a residential developer bought this land, they could develop it for residential if they so choose. There was no formal action, but there seemed to be interest from many of the County Commissioners to direct staff informally at that meeting to consider holding back those acreage terms.

Mr. Manning presented a **Resolution** for consideration. He noted that all the grant award agreements that the board has approved to date, identify in the grant award agreement and in the budget the specific source of the matching funds in addition to the exact amount of matching funds that are going to be provided by that source. Those sources can be either the grantee and/or third parties. Staff expect in the coming months several requests from grantees to reallocate the matching funds. In other words, for example, if a third party is going to give less in matching funds, the proposal is that the grantee will make that up so there would be no change to the total matching funds. The only change would be in who is providing those matching funds. He noted that he pointed out to staff that because of the way the grant award agreements are written that change would technically require a formal amendment like we went through today to make that change. Staff has requested whether it would be possible, instead of having to go through an amendment process for just that limited type of change

where the amount of grant matching funds is not changing just the source of them is changed that we could have a more streamlined process that would be based on resolution adopted by the board to allow the staff to make that in their discretion to approve the change in the source of the matching funds. As such he drafted up a resolution which he read for consideration:

***PROPOSED RESOLUTION TO ALLOW STAFF TO APPROVE SUBSTITUTION OF SOURCES OF MATCHING FUNDS***

*RESOLVED, that with respect to any Grant Award Agreements between Triumph and any grantee, Triumph staff is hereby authorized in staff's discretion to approve the following actions without the need for an amendment to the Grant Award Agreement or to the Budget attached thereto:*

- (1) Grantee contributing its own funds as Matching Funds in lieu of Matching Funds that were to be contributed by another party named in the Grant Award Agreement, so long as there is no reduction in the total amount of Matching Funds to be contributed; and/or*
- (2) A party other than Grantee contributing its own funds as Matching Funds in lieu of Matching Funds that were to be contributed by another party named in the Grant Award Agreement, so long as there is no reduction in the total amount of Matching Funds to be contributed.*

*RESOLVED FURTHER, Triumph staff shall keep an appropriate record of its approval of a substitution of the source of Matching Funds so that, for auditing purposes, there is evidence that the grantee has complied with its obligation to provide Matching Funds under the Grant Award Agreement and as allowed under the foregoing Resolution.*

Mr. Manning noted that, in sum, it is a proposal to authorize staff to approve a grantee's request for a change in the source of the matching funds, not the amount of the matching funds.

Mr. Humphreys asked if there has ever been a time when where the funds came from was potentially a negative consideration? Mr. Manning couldn't recall something that would have been looked at as a negative source. He noted that the funding sources have clarified who is contributing to the project. As such, different stakeholders in the project could be an important consideration. Mr. Humphreys said it could be concerning, depending on who it is or even within the organization that's presenting the funds themselves, what's the origin of these funds that are suddenly rearranged. He said that Triumph needs to avoid getting into partnership with the wrong groups. He expressed concern over that.

Ms. Skelton stated this is a situation where in some of our earlier grants we had very specific funding sources like XYZ Corporation was going to do something and then they didn't. This resolution is an effort to allow staff to streamline particularly some of those earlier grants as needed without having to bring every single small detail to the Board for a vote. She acknowledged understanding Mr. Humphreys' concern and that is definitely something that the Board would need to consider. Ms. Henderson noted that it is not that the grantees and their partners failed to perform. Over time the grants have become more complex with more funding partners. The grantee can't necessarily control what their funding partner is putting as a cost estimate because it is a partnership. Sometimes the construction of one item will come in under budget, whereas the construction of something else will come in over budget because maybe one entity always inflates their costs by 20% but it came in at a lower cost. That calculation results in the match from that entity being down. From the staff perspective, we are trying to streamline reimbursing the grantees and this is somewhere we get hung up on a lot. Any of the sources would already be somebody on the list. As staff, we would not want to add a new funding partner. We would maintain that it must be a partner that is already on the list. We would come to you if it was something out of the ordinary. Perhaps Mr. Manning could tweak the resolution to reflect that any new partners would need Board approval.

Mr. Henderson stated that he is very concerned about the transparency issue. Ms. Henderson stated that staff would not want to approve a new funding partner without the Board's approval. It would just be that already named sources would represent a different percentage of the total. Staff is definitely seeing that some entities tend to budget a little bit higher for things than others do, and it creates a problem in the match when there's not enough because they have that 20% contingency that they didn't need. Ms. Skelton stated this issue goes back to the compliance cost because the review team will not let anything go through that is not on the page and staff is trying to figure out if there is a way to internally streamline that process and maybe we could add language. Mr. Manning stated that he can simply add such language. The way it is currently written, any party could provide matching funds in lieu of a party that was named in the grant award agreement. It can be changed that to read any existing source of matching funds can provide matching funds in lieu of another party. It would allow swapping one party that is already listed in the grant award agreement for another. That way we are not bringing any new sources into it. It would be either the grantee or an existing matching fund source stepping up to replace other matching funds.

Mr. Humphreys asked what the biggest fluctuation in reallocation has been that staff has seen. Ms. Henderson noted that the changes this would affect are over 5% because staff has a little flexibility under 5% already. Some of these are very large construction projects and some of these are smaller construction projects. Mrs. Davidson noted that she does not get involved with the ones in the pipeline because those must clear Ms. Henderson first. On the ones that Mrs. Davidson becomes aware of, she doesn't recall a time where a match source is completely not participating anymore. Ms. Henderson noted that these adjustments are not significant to the grant. It is more where costs are coming in; probably like a 10-15% difference especially when working with FDOT. Our grantees have zero control when they're working with FDOT. If FDOT was able to get something under budget, which they strive for, suddenly, the whole match for a grant is thrown off. Ms. Henderson noted 15% is about the threshold we are seeing but some of some of our bigger projects are just beginning construction.

Mr. Merrill said he wanted to ensure that the Chair is ok with the proposed resolution. If it is people who are already vetted that are just moving buckets of money around, he is comfortable with that. If suddenly one bucket goes away and a new bucket that the Board has not talked about appears, he would like to see the change come before the Board – which is how he thinks Mr. Manning has suggested amending the resolution. If the grantee had to find a new source, he would like the grantee to come back to the board for approval.

Ms. Skelton noted the concern is that if they must come back to the board for approval of internal changes, it slows down the ability to move money which is what the Board wants staff to do. Staff must come back to the Board before making the adjustment and moving the money. This is the concern, and we are just trying to figure out where we can find accommodations to streamline the process without affecting anything substantive. If there's any change in the amount of money under this new draft that if there was any addition of a new match partner, then that would be something that staff would bring back to the board. But if it's just an internal machination to make things work so that we can get it to the review team and ultimately to Mr. Henderson to get the payment out, staff is asking for that flexibility.

Mr. Merrill stated that it seems like the Board members are fine with that. If it is simply moving things around internally and they still met the match, they've still done everything. Internally you are still doing that and get the money out but if suddenly something's happened and they must get someone new, we want to hear that. Mr. Henderson said that it would be nice to just have an update so that it has been seen in the meeting and has been publicly distributed, so we know what's going on. He does not mean the Board needs to vote on it unless there is some weird foreign bucket that we did know about. Ms. Henderson noted that staff would be adding it to the Program Administrator's report.

Chair Bear asked if the Board needs a motion to approve. Mr. Manning said there would need to be a motion to approve the amendment as originally read and then amended by the proposed new language to make clear that any substitute match must be from an existing match source and any new match source would require Board approval. **Mr. Merrill made a motion and Mrs. Weiss seconded the motion.**

Chair Bear asked if there is any sort of notice requirement for approving a resolution. This was not on the agenda; it is a new business item that was just brought to the Board. Chair Bear is in support of making the role of our staff much more efficient and trying to get these funds reallocated and moved as best they can. Would the Board be out of order in approving a resolution that was not noticed. Mr. Manning stated that he believes the notice is only required for a grant award agreement to have been published prior to the meeting. This is a policy proposal; the Board would be adopting a policy to grant the staff the authority to make that decision.

Mr. Henderson asked if this is something that can wait until the next meeting. Ms. Henderson said the staff has one grant that is currently waiting on this type of change, but it can wait. Mr. Manning stated that there isn't urgency. Mr. Henderson noted that he, as the Treasurer, and Chair Bear as another signor, would like to be certain that the proper procedures are followed. Ms. Weiss stated that by waiting to the next meeting, we can know for sure that it has been properly advertised and there's no question of whether it's valid or not. Mr. Humphreys added that he thinks streamlining it is a great idea but maybe the Board could put something like a 40% cap. If there is a reallocation for more than that, the Board should review it.

Chair Bear asked how it would work when we have a grant application that we have approved funding, and there is other match money available – using the Wakulla County Emergency Response system specifically as an example. He could not recall if the language in the grant agreement said that Triumph would fund up to a certain amount. Then the State of Florida has now allocated, if the Governor doesn't veto it, \$1,000,000 for that specific project. Would that be additional match or does that reduce our grant amount? If more match money comes in, is it just moving their side of the equation? Or is it moving our side? Ms. Henderson stated that for non-education projects, we would not necessarily know where Wakulla got the funds for their match if it wasn't in the appropriations bill. The county would show us that they paid \$1,000,000 out of their bank account for this project. They would show us their front and the back of the check, or their wire transfer documents. They would show us their invoice from the company. We wouldn't know where the money was or the source of that money. Currently the way their grant is written, it replaces the \$1,000,000 of their match, which was their intention from the beginning. Ms. Henderson noted that Mrs. Davidson may want to weigh in as her team looks at the documents. Mrs. Davidson stated that on the newer grants where the match sources have already been consolidated, it just shows as match. The review team is not specific to if the grantee actually paid for that match or if it came from an outside source.

**Chair Bear noted that the Board does have a motion and a second on the floor. He isn't sure if the board wants to move forward today. If not, is there a withdrawal of the motion?** If not, then we will have further discussion and go forward with the vote.

Ms. Skelton asked about the project that is on hold now. Ms. Henderson noted that it is one of the Santa Rosa projects and added that there are others in the wings. Ms. Henderson noted that the staff's goal is to reimburse the grantees and move the money out of Triumph into the counties. Ms. Skelton added that the Board could hold for the 5-6 weeks until the next meeting. Mr. Merrill stated that while

everyone wants to get the money out, he must listen to the treasurer. If he is not comfortable with doing it, he would rather wait. **Mr. Henderson stated that he would rather wait.**

Mr. Humphreys asked if it is possible to look at that specific reallocation, so that the project isn't held up or does it also require public notice. Chair Bear stated that under the current application, would that be an amendment that would need to be noticed? Mr. Manning stated that the way we had previously done it, it would require an amendment to that grant award agreement. This resolution proposes to have a board policy that, for that limited scenario, staff have been delegated the authority to approve that change in the source of the funds. Mr. Manning stated that he would be hesitant to approve a case by case, it would have to be a policy applying to all the grantees. **Chair Bear noted that the Board decided to table the motion until the next meeting.** He asked Mr. Manning to send the members the revised resolution.

## **Program Administration**

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

Ms. Henderson noted that the Board has executed 56 grants totaling over \$410 million. The Board has received 314 pre-applications totaling over \$2.5 billion. Since the last board meeting Triumph has received sixteen pre-applications and staff recommends that pre-applications 312, 313 and 315 are statutorily eligible. Staff recommends that pre-applications 301, 302, 303, 304, 305, 306, 307, 308 and 309 are not statutorily eligible. Pre-applications 310, 311, 314 and 316 require additional information for staff to be able to make a recommendation.

The Board has received a total of 125 applications for over \$1.1 billion in funding requests. The report shows the ten applications that have not yet had action taken, including those that staff will recommend later in this meeting. The report shows the four new projects that have been received since the last board meeting; followed by the three that the Board will hear about in Dr. Harper's report.

As we discussed earlier, when staff makes a budget change, we have a paper trail, which shows a staff authorized budget change. Staff, acting within our authority, have been able to switch funds between categories for two of the projects. Then there was a scrivener's error on the budget attachment that we have swapped out for another project. The report includes the project snapshot and Mr. Randy Lewis' construction oversight report. The FSU Apalachicola Bay System Initiative (ABSI) - Project #69, has its annual report due in the Spring, while others are due in the Fall. Dr. Harper has reviewed the ABSI Annual Report and staff recommends that the Board continue funding the project. Dr. Harper is available to answer questions.

**Mrs. Weiss made a motion to approve the Program Administrator's Report. The motion was seconded by Mr. Henderson and passed without objection.**

Mr. Henderson noted that the Board is voting on three applications, which were all received after March 23, 2023. He noted that some of the other projects have been on the list for a while. He asked what the difference is between them and these that these would get such preference now to get voted on and some of these others are not getting voted.

Ms. Skelton said that there are issues with all the projects that you see above that staff is still working through with the applicants. From a staff perspective, we've had the conversation with the Board about the sports park in Panama City. Staff is waiting for an updated application from FAMU because they had problems with the original application. Triumph hasn't heard from Gulf County about the floating drydock in years. The Holy Nativity School project and another school project are waiting on staff's review of legal issues related to those projects. The other projects you see are ones that staff are

working on to move forward. She stated that, as we've talked about from the very beginning with Triumph, some things move faster because they come in ready-made, shovel-ready, ready to go. Some projects have legal issues or there are issues as to how they fit into the Triumph box. Some projects are more difficult to reach than others. But the ones that you see here today are ones that came in ready to go and there was no real work that staff had to do on them.

Some projects on the agenda, like the University of West Florida, had done a lot of work before they turned in their application. Ms. Skelton noted that just because they recently turned in the application doesn't mean they haven't been working on it for the last several months. It's just when they came in with their application, it was clean and ready to go. Mr. Henderson asked if all these applications are eligible statutorily. Ms. Skelton stated the projects are on the list and in the queue, but again there are issues related to some of them, some of them on the applicant side, some of them on our legal side and some of them are just logistically challenging to get to. All are eligible and at some point, they will all come before the Board unless the applicant withdraws the proposal. It's just a matter of when issues get resolved.

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

Dr. Harper presented **Proposal #293 – University of West Florida - Nursing and Respiratory Therapy - \$7,651,783**. Dr. Harper noted the University of West Florida has requested a Triumph award of \$7,651,783 over eight years to expand and improve delivery of nursing credentials and related Health Science certifications. They commit to obtaining 1,105 licensures in specific areas, including 930 registered nurses, 135 medical lab specialists and 40 respiratory therapists. Those are net new above and beyond current rates of production. UWF will provide \$12,544,577 in match, meaning that Triumph will provide 37.9% of the total projected project cost. UWF matching funds are all for instructional personnel. This works out to a reimbursement rate of \$6,925 per certification. A discounted total increase in household incomes expected from the program at \$12.1 in household income per dollar of Triumph cost. This is somewhat high, but comparable to other Triumph awards. However, given the number of seat hours and the practicum experience that's needed in these programs, staff view this as reasonable costs to incur. For these reasons, staff rate this program a "B" in terms of ROI.

Chair Bear asked if anyone from UWF was at the meeting to speak; there was no one who came forward on behalf of the university.

**Mr. Merrill made a motion to direct staff to begin term sheet negotiations with the applicant. The motion was seconded by Mrs. Weiss.**

Mr. Henderson asked if there is a reason that a representative is not at the meeting today. Ms. Henderson stated that she had notified them of the meeting time and location. Chair Bear noted that sometimes folks, like Franklin and Gulf Counties, couldn't make the meetings.

Mr. Corr stated that he has become used to seeing a lot of money being spent on renovation and equipment. With this project, of the \$20 million, \$15 million of that is personnel cost. If we have 1,000 students in this program, how many instructors will be involved at the cost of \$2,000,000 a year. Dr. Harper stated that he did not have that information at his fingertips. The number of staff is detailed in the proposal and the staff that will be hired to do the instruction. Our discussions with UWF have been that these staff are to be used exclusively for the net new nursing students because UWF already has a nursing program. But these innovations are for the night and weekend students and for the program which takes bachelor's degree recipients to a Master of Science and Nursing. Staff have gotten the

commitment of UWF that the staff are fully occupied. It is the nursing certification and licensure requirements which require a certain staffing level per nurse that goes through the program. Staff are certainly following up with them to ensure that all the staffing expenses are dedicated to this program. Mr. Corr asked how many instructors per student does a program like this need. Dr. Harper stated again that he doesn't have the specific numbers, but they are contained in the program. The number of students per instructor is relatively small for hands on programs such as nursing that have practicum experience as well as classroom, laboratory setting and equipment and that sort of thing. Dr. Harper stated that he doesn't have the answer but will get it. Mr. Corr stated that it is unfortunate that the applicant is not here to answer these questions.

Mr. Humphreys asked if the program is designed for night and weekend students, would the facility need to be increased if it is not during the same hours as the normal classes? Dr. Harper noted that most of the expense, 3/4 of the expense of the total program, is for staffing. He shares Mr. Corr's perception that the amount to be spent on renovation is relatively small compared to some of the other nursing programs that we funded. Looking at the total dollars to be spent on renovation, we have \$1.6 million out of the \$20M is for the facilities renovation, so that seems consistent with modest renovations of an existing facility to accommodate the additional students. Dr. Harper shared the Board's view that we would like the applicant to be here to answer these questions.

Mrs. Weiss said that before she votes on the project, she would prefer to have the applicant here so that they can answer some of the questions and maybe provide a more detailed overview of what they are proposing. Mr. Corr noted that he read that the plan calls for renovating 1,500 square feet, in which case that calculates to \$1,000 per square foot. Mr. Henderson agreed with Mrs. Weiss; he would like to vote on it but needs more information. **Chair Bear noted that this seems to be the majority opinion and as such, the Board will table the motion for consideration at the next meeting.**

Dr. Harper presented **Proposal #296 – Bay County Economic Development Alliance - Project Maple - \$11,250,000.** The project request is from the Northwest Florida Beaches International Airport Authority, which is recruiting a major international aviation and aerospace company to expand its existing operations that are cited elsewhere and perform MRO activities at Northwest Florida Beaches. Triumph funds are proposed to help construct an 80,000 square foot narrow body hangar with runway access and taxiway access. It will create 250 net new sustainable jobs with a total capital investment of \$25 million. Staff note that that proposed capital investment is somewhat conservative as the airport has put in about \$11 million in expanding ramp access to the proposed site. However, since it is being used for multiple tenants of their airport campus, we did not allocate it specifically as matched to this project. They anticipate having the building ready and completed in late 2024 with job ramp up to commence. They will have hired 250 FTE staff by the end of 2027 at a rate of 115% of the Panama City MSA average wage. The direct cost of Triumph per job is thus \$45,000. This is at the higher end; however, it is in the key sector of aviation maintenance care overhaul. The increment of personal income over 10 years would be \$220 million following completion of the improvements and associated ramp up. This represents \$19.5 dollars in additional personal income for Triumph Gulf Coast dollar requested. For these reasons, staff scored this program as an A.

Ms. Becca Harden, President of the Bay County Economic Development Alliance spoke about the project. Ms. Hardin was joined by her colleague, Mr. Parker McClellan, Executive Director of Northwest Florida Beaches International Airport. She thanked the Board for consideration of the project to recruit an international maintenance repair and overhaul company that the EDA met at the MRO America show over a year ago and the EDA has been working with this company since that time to get this project over the finish line. They have developed a great relationship with this company, and they are anxious to move this project along. The company has committed to bringing 250 jobs to our area. Bay County has a very high tech, advanced aviation A&P mechanics program at Haney Technical College.

Because we do not have MRO operations currently at the airport, Haney is training about 50 technicians and engineers every year that graduate and move out of the community, and they don't want to leave. They want to stay in Bay County, so this is very significant that we will have a large MRO to keep those students in the region. This company does narrow-body work and their customers are very impressive with Embraer being their main one. This is a very important project, not only for the airport, for Bay County, but really for the region as we continue to target the aviation sector.

Mr. McClellan said the site being discussed is adjacent to the airport's 300-foot concrete transient ramp that they partnered with the FAA to build. It holds any airplane flying today. The airport is working toward the future with their Aviation Center of Excellence to include an educational component with Haney and other aviation activities. The airport opened thirteen years ago, and these have all been steps for moving into the future.

**Mr. Henderson made a motion to direct staff to begin term sheet negotiations with the applicant. The motion was seconded by Mr. Humphreys.** Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed on a unanimous roll call vote (6-0.)**

Dr. Harper presented **Proposal #315 – City of Pensacola – American Magic at Port of Pensacola - \$8,500,000.** The City of Pensacola is applying for an award to support the location of the American Magic, the sailboat that represents the America's Cup racing effort of the New York City Yacht Club, to locate its manufacturing and headquarters facilities at the Port of Pensacola. Triumph funds are proposed to help complete construction and expansion of Warehouse 10 which would house manufacturing hulls, sails, and associated staff for the most technologically advanced sailing craft in the world. It is planned that the facility can manufacture technologically sophisticated hulls for other uses. The project will create 170 net new high wage sustainable jobs, 150 directly at the American Magic facility and 20 other port dependent jobs and have a total capital investment more than \$49 million. These jobs will pay an average of \$105,000 per year. The Triumph staff analysis is based on the proposed \$8.5 million award from Triumph to partially fund design, renovation, and the finishing out of the already partially completed warehouse tenant for the Port of Pensacola to include a 50-foot addition and design and construction of a dock and boat ramp to serve the American Magic effort. For a job guarantee of 170 jobs and an award amount of \$8.5 million, the cost per direct job to Triumph is \$50,000. It's expected that the increment to personal income in the region will be approximately \$285 million over the 10-year job maintenance period following completion and ramp up. This represents \$33.5 in additional personal income per Triumph Gulf Coast dollar requested. For these reasons staff score this project as an A.

Erica Grancagnolo, Director of Economic Development for the City of Pensacola, spoke in support of the project. Ms. Grancagnolo noted that Clark Merritt, Port of Pensacola Director, was in attendance as well. She thanked the Board for consideration of this project that will bring the Port of Pensacola and all Northwest Florida global recognition. This will include the relocation of the boat building facility that is currently located in the northeast. American Magic will permanently relocate that facility to the Port of Pensacola. The project will spur many future opportunities for partnerships with UWF and its advanced manufacturing program, and with IHMC. The design, engineering, design, and high-tech aspects of this project are what make it unique.

**Mr. Merrill made a motion to direct staff to begin term sheet negotiations with the applicant. The motion was seconded by Mr. Henderson.** Mr. Henderson commented that this is an amazing project. When you look at 170 jobs at \$105,000 a year, that is exciting. Mr. Merrill noted that Ms. Grancagnolo and Mr. Merritt have been working with the American Magic folks for a long time. The team is currently training to go to America's Cup in Barcelona in 2021. There are 300 people on the

ground training for eight sailors to go race another year-and-a-half from now. He stated that the boat being raced in 2024 is being built in Connecticut. The team has committed to come back to Pensacola to train again; they love Pensacola, the Port, and the whole area. Ms. Grancagnolo recommended that the Board and the audience check out the America Magic Facebook fan page as they post some incredible videos. Mrs. Weiss commented that she has watched some of the videos; she wondered how they can call it a boat whenever there is such a small percentage of it in the water. Ms. Grancagnolo noted that the company has had past partnerships with aviation – major worldwide – companies, where they have had up to 70 aeronautical engineers working on the designs of the boats. Chair Bear added that he has been fortunate enough to meet many of the team members; they are amazing people who love the community and talk about Pensacola Bay being the ideal conditions for the sailing they do. Hopefully we can get them across the finish line and home based in Pensacola.

Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed on a unanimous roll call vote (6-0.)**

### **Public Comment**

Mr. Mike Barker, City Manager of the City of DeFuniak Springs, welcomed the Board and invited them to enjoy the beautiful things that the city has to offer. He introduced several officials joining him in the welcome: DeFuniak Springs Mayor Bob Campbell, City Councilman Josh Sconiers, County Commissioner Danny Glidewell, former County Commissioner Sarah Commander, and City Councilman Anthony Vallee. City Councilman Todd Bierbaum was in attendance earlier but had to attend another meeting. They also share support of Project # 284 that City of DeFuniak Springs has with Triumph. He noted that support also comes from letters that the Board has received as part of that application (posted on website.) from Congressman Neal Dunn, Representative Shane Abbott, Walton County Board of County Commissioners, Walton County School District, Walton County Economic Development Alliance, Walton Area Chamber of Commerce, Embry Riddle Aeronautical University, Florida's Great Northwest, Space Florida, Censys Technologies, Unmanned Safety Institute and Parrot Inc. There are other business owners and residents that share support of the project at the meeting. We are looking forward to working with Triumph to move that project along. These folks that support the project know what it would mean to the City of Defuniak Springs as well as the region.

### **Closing Remarks**

Mr. Humphreys noted that transformational can take a kind of different text and this Pensacola proposal is incredible. He shared with Ms. Grancagnolo that he went to Auckland and that whole waterfront is completely transformed by having the America's Cup Village. He stated that Project Maple is transformational for the Panama City airport. Having an actual maintenance facility there is going to really be an anchor and show what this area can do.

Mr. Corr stated that we all have probably been expecting some of these amendments stretching out either the deadlines for certifications or reducing the numbers. He noted that we are fortunate that the ones we did today were \$100,000 projects, not \$100 million projects. That's going to be something to concern us going down the road and hopefully there won't be another COVID or another hurricane during the measurement periods.

Mr. Merrill stated that he appreciated the DeFuniak Mayor and Council members here. He noted that Judge Horton showed them the courtroom that had been renovated upstairs, dating back to 1910. It is a neat story as his father was a Judge here and he is wearing the same robe his father wore 50 years

before him.

Mr. Henderson noted that it was a good meeting. We approved some good projects, and we had some good discussions. He thanked Mr. Barker and everybody from Defuniak who came and spoke about the county. He also thanked Superintendent Russell Hughes for sharing about the school district. He stated that it is harder to get projects from these smaller counties. When you get a good project, we really need to figure out a way to get these things done. He is hopeful that the Board can get the DeFuniak Airport project, which has been talked about for a long time, to the finish line and he is willing to help.

Mrs. Weiss thanked the City of Defuniak for having us here. She is excited about the projects that we have approved today and wants to see some of the sailing in action. Mr. Merrill noted that he thinks their last day of sailing was yesterday. There is a tanker pulling in any day now to load up the equipment that they have here and start sending it to Barcelona. Under the rules of the defender, which is New Zealand, they get to make the rules of next race, will be in Barcelona and you must be there racing for a solid year before the race starts. They've got to start by this summer racing in Barcelona for the race in 2024. If we win, which we will win, then America's Cup gets to decide where the next race will be, and we have our fingers crossed might be close by.

Chair Bear also thanked Defuniak Springs for hosting Triumph Gulf Coast. Triumph looks forward to seeing the grant application from the city when it comes before the Board. He also stated for the public record, that if it is important for people interested in applying for our grants, that it's important enough for them to be here to defend it. And for those who did attend today, thank you very much.

There being no further business, the meeting was adjourned at 12:45 p.m. CT.