

**Meeting Minutes
Triumph Gulf Coast, Inc.
Destin City Commission Chambers
4100 Indian Bayou Trail
Destin, FL 32541
September 28, 2023
10:30 a.m. CT**

Members Present:

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

Bryan Corr, Sr. - excused

Chair David Bear called the meeting to order at 10:32 a.m., CT, and thanked Lance Johnson, City Manager of Destin, for hosting today's meeting.

In Susan Skelton's absence, Program Director Cori Henderson called roll and announced the presence of a quorum.

On a motion by Mr. Jay Trumbull, and seconded by Mr. Reynolds Henderson, the August 17, 2023, Meeting Minutes were approved as circulated without objection.

Project Highlights

Chair Bear welcomed and thanked Florida State University President, Dr. Richard McCullough, and his team for coming to make a presentation today.

Dr. McCullough thanked the Board for the opportunity to present their proposal.

He said that this proposal resonates strongly with him and spoke about his previous experience at a university in Pittsburgh where he changed the way the school created start-up companies. In the 2000s, they created the national Robotics Engineering Consortium and the Software Engineering Institute, big research centers that did classified and basic research. Subsequently, 8-10 years after the inception of the initiative, other large companies like Google and Uber were attracted to the Pittsburgh area and created thousands of new jobs.

Dr. McCullough now has a similar vision for this growth and opportunity in research and development for Florida State University in the Florida Panhandle.

Dr. McCullough noted that FSU has partnered with Triumph Gulf Coast multiple times – one example is the ACSENT program certifications at Panama City. FSU looks forward to hopefully

continuing its work with Triumph to help the citizens of Florida as they make these new investments to create an innovation ecosystem that will help with the region's needs and opportunities and create strategy for Florida State but also grow jobs in this area.

FAMU-FSU College of Engineering, which is the basis of the proposal, has a specialized aerospace wing testing program for which Boeing, Lockheed Martin, and Northrop Grumman come to Florida State University to do their wing tests, instead of testing at their own facilities. Dr. McCullough would like to see FSU replicate that kind of testing and classified research in the Northwest Florida.

FSU has a High-Performance Materials Institute which has partnerships with Solvay, Hutchinson, and Boeing, that makes materials for high-speed hypersonic and aerospace materials. Additionally, they have an advanced power systems group that brings Google Meta, The U.S. Navy, and others to the region for testing.

Dr. McCullough noted that the FSU pre-application focuses on aerospace testing and an advanced manufacturing center in the Panhandle region. They have been working on the full proposal and appreciate the help they have received from the Triumph team as they work through the process.

Dr. McCullough stated that the institute they envision is called INSPIRE: The Institute for Strategic Partnerships, Innovation, Research and Education, to be located at FSU Panama City, with operations within and near the Northwest Florida Beaches Airport and adjacent to the Venture Crossings Technology Park.

The institute will offer educational components K-20, where they will train instructors and continue to provide opportunities for earning bachelor's, master's, and doctoral degrees to train the workforce.

Dr. McCullough emphasized the importance of workforce development in the region and discussed the pervasiveness of the aerospace industry all along the Gulf Coast, stretching from Mobile, AL to Tyndall Airforce Base. He stated that we need to provide a stable workforce with people who can provide training so we can continue to grow this industry and attract the kind of companies that can help transform the region.

McCullough highlighted the rapid rate of population growth in the area, and the fact that there are many young people moving to the area who are looking for stable jobs and stable incomes that could potentially benefit by building an ecosystem collaboratively with leaders and residents in the region.

This focus of INSPIRE will be high level research, testing, technology, demonstration training and, most importantly, it will include an industry-facing laboratory and prototyping facility that will serve the Department of Defense, our government, commercial project partners and sponsors, and will provide advanced manufacturing research and development for integrated learning as well as the high-speed wind tunnel that positions it uniquely to do critical needs research for national security.

The nature of the facility will be more applied, allowing them to do classified research, which is something they do not do on the main FSU campus, making it unique. The Air Force bases, and the missions of the region will be supported.

The project will allow Florida State University to not only serve the Department of Defense bases across Northwest Florida to continue their mission but will help to facilitate the recruitment of new companies to the region, create new jobs from startup companies, and help with economic development through co-location of our partners and complementary industries. We want to encourage the students to start companies in this region. The research base that FSU will grow in this area will provide US facilities with enhanced capabilities, bring in lots of funding to the region, research funding and partnership, but also train the students that will provide stable jobs for the region.

Dr. McCullough believes that INSPIRE is truly a transformational concept and plans on fully supporting the project as long as he is president of FSU. He thanked the board for the opportunity to present the proposal and said he looks forward to what the next steps might be for all. He apologized that he won't be able to attend the November Triumph meeting due to a schedule conflict, as he will be attending the Florida Board of Governors meeting.

Chair Bear thanked Dr. McCullough and asked if board members had questions or comments.

Mrs. Weiss noted that she had toured the facility over at FSU Tallahassee campus and was very impressed. She asked if Dr. McCullough and his team could provide some specifics on the types of certifications they will be providing for the teachers.

Dr. McCullough stated that the training they plan to offer will be for those teachers who are going to provide the certifications. He then turned the discussion over to Rabieh Razzouk, Director of their Learning Systems Institute, who spoke further about the focus of the certifications, which will be centered in the fields of engineering, advanced manufacturing (3-D modeling, 3-D printing, AI tools, data analysis tools), and the transfer of knowledge and experience in the classroom, starting in elementary school. This will allow students to start experiencing these skills in the classroom at an early age. They plan to continue what they have been doing since 1969, supporting teachers to meet state instruction and requirements while they teach new skills.

Dr. McCullough added that it is critical to start introducing these new ideas and career paths when students are at an early stage and to continue that course of learning and vision all the way through the student's academic career, finally translating it into a job.

Mr. Henderson then asked if there would be any other brick and mortar locations besides ECP (Northwest Florida Beaches International Airport).

Dr. McCullough responded that there might be a hub and spoke model where they could leverage off other locations, probably not building new locations, but perhaps utilize airports and local airports stretching from Pensacola to Tyndall.

Mr. Henderson agreed that it would be beneficial to try to utilize these regional airports for the training programs to minimize the need to travel to Panama City.

Mr. Merrill expressed his appreciation for Dr. McCullough's presentation and attendance at the meeting and voiced his enthusiasm about the project.

Chair Bear thanked Dr. McCullough for bringing this transformational project to the Panhandle and thanked his team for coming to make the presentation.

Treasurer's Report

Mr. Reynolds Henderson, Treasurer, and Mrs. Jennifer Davidson, CPA, presented the August 2023 Financial Report. Mr. Henderson called on Ms. Davidson to give the financial report.

Ms. Davidson noted that the interest entry has now moved into the base of the financial statements since Triumph now retains the interest. Mr. Henderson noted that Triumph formerly was required to transfer that money out each month and it is nice not to have to do that now.

Mrs. Davidson then presented the August Financial Statement and noted that cash in the bank is approximately \$603 million. The Statements of Activity shows Interest Income of \$2.8 million. The Budget to Actual for the eight months ended August 31, 2023, which shows us under budget for administrative costs by \$41,000 and shows \$13 million in funds distributed through the month of August to five different counties, and \$24.6 million in funds distributed this year to date. She noted that the Interest Income for two months is \$5.6 million.

Mr. Henderson briefly discussed the speed of wire transactions. A Triumph Awardee approached him with slight disappointment about the slowness of payments and he wanted to reiterate that, in the beginning, when Triumph used a smaller bank, they were not able to make fast transfers, but they can now, and wires now go out very quickly. Chair Bear confirmed that the new banking process is very quick.

Mr. Merrill made a motion to approve the August Financial Report as presented. The motion was seconded by Mr. Henderson and approved without objection.

Staff Report

In Ms. Skelton's absence, Ms. Henderson provided the Board with the Auditor General update, which is still ongoing. Ms. Skelton had indicated that they are nearing the end of gathering some final information requested for the audit and are hopeful that it will wrap up soon.

Ms. Henderson said that Ms. Skelton reported that the Franklin County Delegation had their legislative meeting yesterday, at which County Commission Chair Ricky Jones, during his comments, discussed the collaborative work with Triumph, and that they do anticipate submitting a couple of proposals soon.

Additionally, the legislature is back, and committee meetings are underway for the next few months until Session begins in January of next year.

Legal Report

Chair Bear called on Mr. Scott Remington, Legal Counsel, to present the legal report.

Mr. Remington began with a review of the **Proposed Grant Award Agreement for Proposal #293 – University of West Florida – Nursing and Respiratory Therapy for \$6,685,757**. The Grant Award Agreement is based on the term sheet approved by the board at the last meeting. It is to provide partial funding for a project in nursing at the University of West Florida to include renovations to a building, the purchase of equipment, personnel cost, and student programming

support. In return, the University will produce 1,125 industry-recognized certificates or licenses in registered nursing. Mr. Remington reported that the agreement is consistent in all respects with the term sheet and with previous education grant award agreements.

Chair Bear then introduced UWF's Dr. David Bellar, Dean of the College of Health, and Dr. Matt Schwartz, Associate VP of Research Administration, and asked if they had any comments for the board.

Dean Bellar and Dr. Schwartz expressed sincerest thanks and appreciation for the ability to work with the Triumph Board and for the wonderful staff helping them to develop this proposal. They are very excited over the next number of years to help encourage more nurses, certified technicians, and healthcare workers to come into our local area.

Mr. Merrill made a motion to approve the Proposed Grant Award Agreement and Mr. Henderson seconded the motion. 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. Remington then provided a review of the **Proposed Second Amendment to Grant Award Agreement #43 – Okaloosa County BOCC – Highway 90 East Water and Sewer Extension - No additional funds requested.** Mr. Remington stated that the relevant change would be to extend the completion deadline by one year to October 31st, 2024. Mr. Remington deferred to staff and Okaloosa County to answer any questions regarding the reasons for extensions.

Ms. Henderson noted that as we have seen with some other projects, there have been supply chain delays with construction projects and this goes for the project at Shoal River Ranch where Central Moloney has announced their second project in Northwest Florida, so there is an announced end company at the end of this project.

Chair Bear introduced Mr. Jon Kanak, Okaloosa County Engineering Manager for Water and Sewer. Mr. Kanak mentioned that the extension is needed because there have been multiple delays for assorted reasons, including the sale of the property. There are two ongoing projects: public works (they are doing road work improvements down Jericho Rd about a quarter of a mile) and their utility project. They are sitting at 90% design completion and are hoping to have final drawings in the next couple of weeks, so they just needed a little more time.

Mr. Merrill made a motion to approve the Proposed Second Amendment to Grant Award Agreement and Ms. Weiss seconded the motion. 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. Remington introduced the next amendment for the Board's consideration, **Proposed First Amendment to Grant Award Agreement #240 – Santa Rosa County BOCC – Santa Rosa Industrial Park East - No additional funds requested.** Mr. Remington noted that there are three material changes being made. First, to extend the completion deadline by three years from December 31, 2024 to December 21, 2027; second, to extend the ramp-up date deadline for job creation under the performance metrics by two years, from four years from the date of the agreement to six years from that date; and the last one would be to delete a requirement in

the grant award agreement that the county have binding and enforceable construction equipment purchase contracts and construction contracts in hand before Triumph provides funding, and rather allow funding to flow from Triumph as soon as it has satisfactory evidence that a company has committed to construct the required facilities and purchase the required equipment. Mr. Remington noted that the companies are unable to acquire the property until the sites are ready, so Triumph is funding site readiness to turn those sites over to companies for development.

Chair Bear then asked for any questions from the Board. Mr. Henderson asked if there was any material change in performance metric one for the targeted qualified target industry versus FTE. Mr. Remington assured Mr. Henderson that it is just an extension of the deadline with the same requirement.

Chair Bear welcomed Mr. Shannon Ogletree, Santa Rosa County Economic Development Director, to the podium. To follow up on Mr. Henderson's question, Mr. Ogletree stated that he showed Mr. Remington the LOI and that the company is unable to acquire the property until the site is ready. They have had some issues with surveying easements requirements as well as some other issues.

Mr. Ogletree confirmed that the company still wants to move forward with plans to build a 200,000 square foot manufacturing facility there. Mr. Ogletree also mentioned a second project: in the past week, they were awarded a DCIP, a Defense Community Infrastructure Pilot Program Grant from the federal government for \$6.4 million to build a taxiway connecting from South Runway at Whiting Field over to the Leonardo Hanger. Additionally, they received \$1.5 million from a special appropriation, taking them to \$7.9 million, and they also anticipate hearing back in the coming months about another grant outstanding from the Job Growth Grant Fund. Finally, they are also working on an EDA grant. Mr. Ogletree acknowledged that none of this would have been possible without Triumph's assistance.

Mr. Henderson made a motion to approve the Proposed First Amendment to the Grant Award Agreement and Mr. Humphreys seconded the motion. 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. Remington then introduced the **Proposed First Amendment to Grant Award Agreement #258 – Bay County BOCC – Project Lightning Strike**. There was no additional funding requested and no extension of time requested. Mr. Remington stated that it is simply a technical change in the grant award agreement. The grant award agreement included a covenant that the performance agreement that the company signs would be in the lease agreement. Legal counsel advised that the lease between the company and the landowner needed to reflect that there is a performance agreement that must be signed. However, the way things actually happened, Triumph received the performance agreement signed by Central Maloney before the lease was completed. When the lease was completed, there was no provision that the company had to sign a performance agreement because there was already one in place. The compliance department noted the lease requirements.

Mr. Remington noted that Triumph would never sue to enforce the performance agreement under the lease but would sue to enforce the performance agreement under the performance agreement itself if needed. So rather than go back to the multiple parties involved in the leasing, Counsel is asking if the Board would waive compliance with the covenant that requires the performance agreement be included in the lease itself.

For clarity, Chair Bear restated in simpler terms that Triumph required the lease to require the performance agreement. Triumph already had the performance agreement; therefore, it was left out of the lease.

Mr. Trumbull asked Mr. Remington if there had been something holding up the lease from being completed. Mr. Remington explained that the biggest challenges with the lease agreement have been the time-consuming and complex negotiations among multiple parties. There were four parties involved in the lease negotiation, while only one party engaged in the performance agreement negotiation.

Mr. Remington assured the board that they do indeed have a performance agreement and that all lease issues will likely be resolved with the approval of this amendment.

Mr. Merrill made a motion to approve the Proposed First Amendment to the Grant Award Agreement and Mr. Trumbull seconded the motion. 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.)**

Program Administration

Program Administrator's Report

Chair Bear called on Ms. Henderson to provide the Program Administrator Report.

Ms. Henderson commenced her report by revisiting a topic she discussed earlier in the year – the economic development “Swoosh.” She stated that economic development is a team effort and is a long game. She mentioned that in Northwest Florida, we are extra lucky because the local EDOs have the support of two regional economic development organizations, Florida's Great Northwest, and Opportunity Florida. Additionally, Northwest Florida's team includes school districts, state colleges, universities, airport and port directors, local elected officials, utility providers, Career Source, Space Florida, FDOT, Florida Commerce and Triumph, just to name a few. Ms. Henderson highlighted the fact that it is a bit unique for a community or region to have such a collaborative team. Each organization has a role or a couple of roles to play on the Swoosh, and Triumph's role in the process includes building community competitiveness, marketing and negotiating incentives and as a Board. Triumph has invested heavily in skilled workforce training to build the competitiveness of the region's workforce and has invested in industrial parks and buildings for high wage job creators, and in funding regional marketing.

Ms. Henderson highlighted some recent Triumph investment success stories including the Premier Aviation's announcement to open an aircraft facility in Panama City, and additional public events such as the ground-breaking of the Wakulla War Eagle Academy, and the FSU Collegiate High school ribbon cutting.

Ms. Henderson mentioned that this year, Triumph was involved in the recruitment of a very large project in which Bay County was one of the two finalists, and while Northwest Florida did not win that project, we all learned very valuable information that the region can use to increase its competitiveness for future opportunities.

One of the items the company highlighted as a strength of the winning location was their existing research and development (R&D) manufacturing capacity. Years before Triumph was even created, site consultants noted that R&D capacity was a weakness of the Northwest Florida region. Triumph began to address this with your funding of IHMC, with FSU's ABSI project and Project Laser in Pensacola, and this morning the Board heard from Dr. McCullough about FSU's new R&D proposal INSPIRE, which will go a long way to improving the region's R&D competitiveness.

A second item the company noted for why it selected the other location was the availability of their existing buildings. Speed to market is critical in business development deals and while staff is not advocating new construction of a 600,000 square foot spec building, we have been doing a lot of work to craft an initiative that will enable easier partnership in the funding of pad-ready sites and spec buildings to improve the region's speed to market competitiveness.

Staff has focused our efforts on designing a pad-ready and spec building initiative for rural communities first and look forward to sharing more about this with the Board at upcoming meetings.

Ms. Henderson then highlighted some of the Triumph activities that have taken place since the last board meeting. Hosted by Senator Simon's staff - Chair Bear, Ms. Skelton, Dr. Fuller, and Ms. Henderson attended a productive meeting with local government leaders and economic development stakeholders from Wakulla, Franklin, and Gulf counties, as well as the regional economic development organizations, Florida's Great Northwest, and Opportunity Florida. Everyone participated in lively conversations about how to bring all the various resources to the table to assist each county.

Mrs. Weiss and Ms. Henderson toured the FSU Aero Propulsion Lab in Tallahassee, which was followed by several in-person meetings with the team responsible for the new FSU INSPIRE proposal.

Scott Remington toured DeFuniak Airport with City Manager Mike Barker to explore potential ways that Triumph can assist the city in developing industrial sites.

Dr. Rick Harper, Dr. Frank Fuller and Ms. Henderson have participated in numerous calls with economic development partners and prospective companies, including potential new Triumph applicants and utility providers. These discussions are ongoing as part of the efforts to develop a pad-ready and spec building initiative.

Dr. Fuller has been involved in assisting with the development of new grant applications across the region and meeting with existing grantees to help them maximize their Triumph grants.

Ms. Therese Baker has been designing a new industry certification validation database, which will provide Dr. Fuller and Dr. Harper with data on certifications obtained through Triumph-funded programs. This database will offer valuable insights as new proposals move forward.

Chair Bear elaborated on the meeting with Senator Simon's staff and local leaders in Apalachicola and said that the meeting went well. All the staff attended, along with Opportunity Florida and leadership from each of those small counties. They had an open discussion on how Triumph can continue to support them, and they expressed great appreciation for all the support that we have given them already. Triumph staff has reached out to them on a regular basis and collaborated with them to move their projects forward. Many of them talked about some of their challenges being small, having fewer resources than some of the larger counties.

Dr. Fuller reported that they have had five formal contacts since that meeting from representatives of two of the counties. Ms. Henderson stated that Dr. Fuller will soon be having a meeting with one of the school superintendents from comments from that meeting and staff is working very closely with Apalachicola, Carrabelle is working on some efforts and with Wakulla, staff continues to talk about their new school facility and spec buildings. There has been a lot of conversation that came from the meeting. Mr. Henderson stated that he was so glad to hear this as he travelled over to Tallahassee on his own to meet with Senator Simon about this.

Ms. Henderson then moved to her formal report. Grants totaling over \$418 million have been given full approval as of this past Thursday. Triumph has received 320 pre-applications totaling over \$2.6 billion. Pre-applications 311, 321 and 322 are recommended as statutorily eligible by staff.

As of last Thursday, Triumph had received 129 applications totaling \$1.1 billion. Since the last meeting, the Board has received applications from Santa Rosa District Schools and Warrington Academy. Ms. Henderson noted that the Project Snapshot has not changed since the last meeting) and the Construction Report from Mr. Randy Lewis, Construction Management Advisor, is attached to the report.

Ms. Henderson said that staff is requesting, through this report, that the Board unencumber funds from three Fast Track Programs. These were the post-Hurricane Michael and COVID project funds that the Board set aside to allow grantees to utilize the funds in a pay-per-cert situation, and three of the projects had funds remaining at the end. Staff is requesting the Board to approve these dollars to be unencumbered and returned to the general fund.

Mr. Henderson made a motion to approve the Unencumbrance of Funds. The motion was seconded by Mrs. Weiss.

Mrs. Weiss asked for more background on the Fast Track funds. Ms. Henderson stated that the purpose of the funds was to specifically focus, after Hurricane Michael, on immediate training in construction trades. Triumph recognized that this was an immediate need and during COVID, projects focused on the distribution industry to try, as quickly as possible, to get people retrained and back to work. These projects had different results with different providers and different students. It was a pilot project that the Board put together and it worked differently in every community. Mr. Henderson noted that Walton County School District stated that it was a cumbersome process so unencumbering the funds is a good idea.

The motion passed unanimously on roll call vote (6-0.)

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

Economic Advisor's Report

Dr. Harper introduced **Proposal #297 - P.R.I.D.E. Enterprises – Construction Trades Training Program - \$923,745**. Prison Rehabilitative Industries and Diversified Enterprises (P.R.I.D.E.) is a 501(c)3 corporation that manages correctional work programs in the Florida Department of Corrections (FDOC) facilities. P.R.I.D.E. receives no state funding, but their educational programs help encourage low recidivism rates, making communities safer by reducing criminal justice expense to taxpayers.

P.R.I.D.E. is requesting Triumph funding of up to \$923,745 to provide equipment and deliver curriculum for the NCCER Core and Level 1 carpentry certifications to be delivered by Pensacola State College to incarcerated individuals in the Century Correctional Institute in Escambia County. At a total project cost of \$1.761 million, the Triumph share would be 52.4%. The application notes that recidivism rates historically have been more than 21% for the general prison population, but the P.R.I.D.E. average rate of recidivism for people participating in their training programs was 1/5 of that amount.

The application notes that currently, the per person cost of incarceration in the State of Florida is calculated to be \$41,000 per inmate per year. Thus, the potential for avoided prison cost is substantial. P.R.I.D.E. expects 200 participants to have completed 400 certifications over a five-year period. If all the Triumph funding were to be expended, this would represent an average cost per completion of \$2,309 per certificate. Assuming that the benefit of reduced recidivism expense to the taxpayer frees up funds, this provides a substantial benefit. However, because that is financed out of statewide tax revenue, that benefit would accrue relatively evenly on a per taxpayer basis across the Triumph region and in the state more generally.

Looking at the reimbursement rate of \$2,309 per certificate, the discounted total increase in household income not accounting for the statewide benefit of reduced recidivism expense would be \$36.20 per dollar of Triumph cost, which is an excellent ROI per Triumph dollar relative to other Triumph awards. For these reasons, staff rate this program as an "A" in terms of economic impact.

Chair Bear then introduced Mr. Jack Edgemon and Mr. Blake Brown to speak on behalf of P.R.I.D.E. Enterprises.

Mr. Edgemon thanked the Board for the opportunity to present their application for funding for what they believe to be a transformational program as they are looking at taking an incarcerated population that generally has an educational level below 6th grade and giving them marketable, certifiable job skills. Training will be done in conjunction with Pensacola State College. A 450-hour course will allow inmates, upon graduation, to enter a program where P.R.I.D.E. will manufacture micro homes at a facility that is being built right now that is adjacent to and on the same property where the training is located at Century CI. Inmates will come out of the classroom, learn the skill sets, receive vocational training, and potentially move into a job setting where they will actually manufacture the homes. P.R.I.D.E. hopes to market these micro homes within Escambia and Santa Rosa counties, and throughout the Northwest Florida. That production is going to be the economic engine that drives this transformational program. Ultimately, P.R.I.D.E. wants this to be a self-sustaining program, but is seeking Triumph funding

to help get the program started. They estimate that they will be able to start producing micro homes by the first quarter of 2024, and they hope to have a market built along with a sustainable business plan and operation within four and a half years, so that they can expect to see those revenues coming in and helping to offset the cost of the education program.

They plan to start with carpentry education due to a statistical study that shows a carpenter shortage for 90% of small home builders. They hope to expand the program to include electrical and plumbing education in the future. As a separate benefit of the program, those receiving education will then apply those skill sets to the manufacturing of micro homes, which will meet the need in the community for low-cost housing. So, the program will not only provide people who will work in the industry with skill sets coming out of prison but will also be building micro homes to meet a very serious homelessness issue that is pervasive throughout Florida.

Mr. David Humphreys asked whether the incarcerated carpentry students would be obligated upon release to then work for the micro home business, or if they would have an option to go work in any carpentry industry, or any industry in general?

Mr. Edgemon stated that students are not obligated to work in the micro home construction industry, but they are welcome to if they choose to do so. P.R.I.D.E. has 34 different programs in 20 different institutions, and when inmates who go through their programs are released from prison, they have the option of going into a transition program. That transition program will place them into a sustainable job within two weeks. At no cost, P.R.I.D.E. assists them with living expenses and if they need transportation, housing, clothing, or any type of social skill set. Since they can provide that case management to the inmate for up to a year, the recidivism rate is low, and their programs are completely voluntary.

Mr. Trumbull asked whether the micro homes are built by the inmates and whether there is a program for released inmates that would place them with another company. He asked how those companies are selected.

Mr. Edgemon replied that his team has been doing this for 43 years, and so they work with a number of companies, as well as collaborate with the local home builders' associations and the Home Builders Institute (HBI), to develop a network of potential employers due to the shortages of skilled or semi-skilled labor within the profession. They do not foresee that job placement will pose any problems, but instead anticipate placements will occur within a two-week timeframe with a starting range of approximately \$19/hr.

Mr. Trumbull commented that it sounds like a great program, especially if they can expand beyond carpentry into electrical and plumbing.

Mr. Merrill inquired as to whether the end user (builder) participates and steers them in the direction they envision for a project by outlining the building skills they need the most.

Mr. Edgemon stated that they have had some input from builders about what they need and are looking for, but most of their input has come from HBI and market research about what's needed in the trade industry. This is the first program where they are launching a construction program to build and manufacture homes. While they have already had a number of businesses where they manufacture a number of products like steel products, new steel stampings, metal fabrication, wood fabrication, and others, but this is their first venture in the construction business.

Mrs. Weiss asked what comprises their core certification program, as opposed to their carpentry program. Mr. Edgemon stated that the core certification is approximately 85 hours, and it deals more with basic safety of working in the environment, basics about hand tools and power tools, a little bit about materials, and OSHA training.

Chair Bear thanked P.R.I.D.E. for their presentation. He expressed his enthusiasm for the program to help people stay out of prison and give them some skill sets so that when they get out, they can go get a job and be productive. He asked whether P.R.I.D.E. is planning to sell the micro homes they produce to municipalities where they have homeless issues or not-for-profits.

Mr. Edgemon explained that their customer base will be government and not-for-profit. They are not interested in trying to sell to the average home buyer because, first, they do not want to compete with existing builders who are addressing that market, and secondly, they are really looking to manufacture a product on a production line basis, to produce a lot of houses in a relatively short period of time. It is going to be inexpensive housing that is very well built in the hopes that communities, government entities and not-for-profits will have an interest to help satisfy the needs of the homeless population.

P.R.I.D.E has contracted with an engineering firm out of Jacksonville that will provide certified prints and PE stamped architectural drawings. The house will be built in a factory at Century CI and then it will go on a trailer where it will then be set with a crane at the building site. The engineering stamps will ensure that we have a structure that we can build in a very sturdy manner and since it is going to be built in a factory environment, the inmates will learn multiple skills. They will learn the basic carpentry, electrical, plumbing, and mechanical skills, but they will also learn one piece flow manufacturing, which is another very desirable trait to understand. One-piece flow manufacturing is done in a in a highly productive environment.

Mr. Merrill made a motion to direct staff to begin term sheet negotiations with the applicant and Mr. Trumbull seconded the motion. 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.)**

Dr. Harper presented a recommendation **on Proposal #318 – Santa Rosa School District – Santa Rosa Center for Innovation - \$9,000,000.** Santa Rosa County District Schools (SRCDS) requests a Triumph award of up to \$9,000,000 to acquire a centrally located building, initially through a long-term lease, followed by purchase, to be transformed into an innovation center for educating students in collaboration with business and industry.

The proposed innovation center will offer hands-on activities from kindergarten to 12th grade as well as provide a venue for business and industry partners to collaborate with SRCDS. This proposed innovation center will serve as the hub for the district's Science, Technology, Engineering/Entrepreneurship, Arts and Mathematics (STEAM) ecosystem. The district proposes attainment of 9,788 net new (i.e., above and beyond existing rates of SRCDS student certificate awards) career and technical industry credentials over eight years for those students who participate.

Funding will not only be used for acquisition of the space, but also retrofitting and staffing to serve as the innovation hub for a minimum of 7-9 years. The applicant estimates the total cost of the project to be \$18,989,828 which includes lease payments, retrofitting of the space, necessary equipment and supplies, industry certification curriculum and testing materials, as well as staffing costs for part-time educators. The grant request represents 47.4 % of total project cost.

At a reimbursement rate of \$919 per certification, the discounted total increase in household incomes expected from the program will be \$90.9 per dollar of Triumph cost, which is one of the highest calculated ROI per Triumph dollar invested of any award to date. For these reasons, staff rates this program "A" in terms of economic impact.

Mr. Henderson asked if the price per certification was the same across all science and technology areas, and Dr. Harper said that it was, stating the cost is \$919, the same assumed benefit per cert.

Chair Bear welcomed Dr. Karen Barber, Santa Rosa School Superintendent, along with her associates Ms. Charlin Knight and Ms. Jennifer Hines.

Dr. Barber thanked the Board for the opportunity to apply for this grant. This is really the culmination of over a decade of transformation that the school district started for Science, Technology, Engineering, Arts, Mathematics. It is a transformation for every classroom, every school in the district and one of the first of this kind in the nation. SRCSD partnered with the Discovery Channel - Discovery Education with really incorporating career education into every classroom but also teaching critical thinking, collaboration, communication, creativity, and now building upon that with a great workforce development program in Santa Rosa County.

There was an 88% increase in industry certifications earned in Santa Rosa County over the last two years. The district really wants to build upon that. They have gone through a five-year strategic planning process and the mission of the school district is to love, educate and prepare all students for graduation and a successful future. This project with Triumph will allow the school district to really live that mission and bring that to life.

It is also important to note that of the industry certifications earned in 2021, 20% were earned by children from economically disadvantaged homes. In this last school year, 40% of the industry certifications were earned by children from economically disadvantaged homes. The district is demonstrating equity, but also increasing that opportunity for students to be successful after high school and we appreciate the support of Triumph.

Ms. Knight thanked the Board for this opportunity and noted this is a transformative project for workforce development in the district. It is going to allow educators to think outside of the box on how to offer certification opportunities to students. Normally that is done within the brick-and-mortar walls of a school. This is going to be a place-based opportunity to bring students and teachers in and give them a richer, more robust opportunity for that hands-on experience from elementary all the way through graduation.

Ms. Hines added that they are excited about giving all students in the district the opportunity for CTE. Many times, students are involved in other things such as sports or higher academic classes and they do not have room in their schedule. This is going to provide students with the

opportunity to do things in the evening, after school, on the weekend, holiday time, and summertime. It is not going to just be limited to their school day. They will be giving opportunities for students at a younger age so that they are already starting to think about these things as they go to middle and high school.

Dr. Fuller added that they began with elementary school, which is a critical piece in most Triumph projects now, to try to be transformational, to get to engineering and the more sophisticated outputs.

Mr. Merrill made a motion to direct staff to begin term sheet negotiations with the applicant and Mr. Henderson seconded the motion. 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. Henderson noted that the CTE information seems more generalized than specific. He asked Dr. Harper if he could provide more insight.

Dr. Harper agreed that some of it is more generalized due to dated deficiencies from the Florida Department of Education regarding the value of individual certifications that students attain. While the certs are reported to the Department of Education, they carry different reimbursement values under the CAPE Act depending on the number of seat hours required and the cost to administer, and hopefully in terms of expected income gains. Triumph staff has been trying for several years to obtain access to the Department of Education data, which would allow us to do specific statistical correlation of outcomes in the labor market in terms of higher wages. He noted that attainment of particular certifications after controlling statistically for demographic profile of learners is something that staff has discussed explicitly with FSU. The Learning Systems Institute, as the designated provider designated by the Legislature of STEM education, has good access to data. We hope to implement that as part of our contract should we be able to arrive at a contract with FSU to do exactly that sort of analysis by looking at individual certifications, by type of cert, by industry and correlating that accurately and in a statistically robust manner with the increase in wages that people will see in the labor market. Having said that by way of explanation, he absolutely concurs with Mr. Henderson's assessment that we need further detail on this on the value of specific certificates and we are attempting to attain that any way we can.

Mr. Henderson noted that he thinks this data could really help get a lot more projects completed and understand where the money is going in the true return on investment.

Mrs. Weiss asked how the students get into the program and whether there is an application or nomination process.

Ms. Hines stated that there will be a variety of ways to enter the program. There will be a number of different applications. There will be a summer camp model, an after-school model, and an evening model. It will be on a first come, first serve basis. As for teacher professional development, which is a big piece of this during the school day, they'll be able to come into the Center for place-based learning experiences where we are not just growing the students' capacity for obtaining credentials, but also the teachers' capacity for teaching programs that will lead to future credentials.

Mr. Trumbull noted that this will all be at a centralized location where even elementary kids can come. He asked how the students would get to the center. Mrs. Hines noted that the middle schoolers would come after school by bus. For evening classes, those would be dropped off and picked up by their parents. She noted that some kids are going to be close enough that they'll walk there.

Member Requested Item for Action and Discussion

Chair Bear then moved to the next item on the agenda, **Proposed Policies and Priorities Proposed for Adoption by Triumph Gulf Board of Directors**. Chair Bear asked that the Board consider each of the six policies and priorities one at a time to see if there is any action that we are going to take on each one individually.

He led the board to discuss six policies and priorities and then sought a motion to approve, a second, and a vote on each item:

Item 1: The Triumph Grant Application will be amended to identify projects that are in a Federal Qualified Opportunity Zone (QOZ) as defined by the Tax Cuts and Jobs Act of 2017 (TCJA) or a designated State of Florida Rural Area of Economic Opportunity Zone (RAO) in the eight disproportionately affected counties. Any such project will be described and noted for the Board in the Score Sheet so that applicant and public are aware that these economic development tools are available.

Mr. Henderson made a motion to adopt the policy and Mrs. Weiss seconded the motion.

Mr. Henderson mentioned that Dr. Harper is already doing this in his score sheet, so it is fairly simple. Mr. Trumbull asked if all eight counties qualify under these two identifications. Mr. Henderson stated that every county in the State of Florida has an opportunity zone. It does not necessarily mean that everyone has a rural area of economic opportunity. Mr. Henderson added that all he is seeking with the policy is to ask Dr. Harper to note it in the Score Sheet.

Mr. Remington noted that Dr. Harper can do that at his discretion. The first part of this policy would change the application such that the applicant would have to identify that their project was in a rural area of opportunity zone. There must be board approval to change the application.

Ms. Henderson noted that she searches the applicant's address to confirm if they are in an opportunity zone.

Mrs. Weiss asked if the change would be putting the burden on the applicant instead of staff to determine if they are in either category. Mr. Remington noted this is correct with the understanding that we want them to identify it early. We want them to be aware of other opportunities that may be available to them.

Mrs. Weiss asked if we know if there are RAOs in all eight counties and if it affects the scoring of the application.

Ms. Henderson stated that the Rural Areas of Opportunity are defined by statute. There are requirements on how an entity becomes one. This information is on the FloridaCommerce website. For Triumph, our communities know who they are, and we know who they are. Dr.

Harper takes into consideration their abilities to provide match and sometimes it is considered in the metrics outcomes for our rural communities. Staff is already taking that into consideration. The Opportunity Zones are newer, and they are not utilized to the same extent that the rural areas of opportunities are so that would be something new for our applicants to learn about themselves, potentially, and Dr. Harper might have additional insight.

Dr. Harper said that as staff understands it, it is the intent of the Board to do everything we can to identify, shepherd through the process, and approve projects in rural areas because the underlying challenge is that rural areas have fewer assets that are productive and attractive to businesses, they have a smaller labor pool that makes it more difficult for businesses to locate and our understanding is that it is the will of the Board to do everything we can to encourage location in those areas. That is what we are doing already.

Chair Bear asked when you say we are doing it already, is staff suggesting that we might not need to amend the application to accomplish this. You're already putting it into your score sheet.

Dr. Harper said that staff agrees with the sentiment that Mr. Remington expressed that during the initial process, when applicants contact the Triumph staff, this is something that we can inform them of that there may be other sources of funding that can be identified due to the existence of the federal and state programs that could be used as match or actual contribution. Making this a formal policy would make sure that that box gets checked that we have identified other opportunities for meaningful participation of other funding entities. Staff concur with Mr. Henderson's suggestion that this would be a good thing to incorporate in our policies to be sure that applicants are aware that Triumph is not the only potential funder for their project.

Chair Bear confirmed that this action is to amend the Triumph application. Mr. Remington agreed and said that it would require the score sheet to reflect whether it is in an opportunity zone or RAO, which we have already done. Staff can accomplish the score sheet portion already but amending the application would take Board action.

Mr. Henderson made a motion to amend the earlier motion to adopt the policy reflecting the amendment to the application and Ms. Weiss seconded the motion. 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.)**

Item 2: All applications that have met eligibility requirements will be presented to the Board of Directors for a vote no less than 180 days post submission absent a good cause or a request by the applicant. If an application has not been approved within this time frame staff promptly notify both the Board and the applicant that the application is incomplete. If the applicant is incomplete or the Applicant requests a delay beyond 180 days or otherwise fail to show good cause, staff may score the application as "INCOMPLETE" or "I" and move the project from the list of active projects to list of archived projects. At any time, an applicant may request a project that receives an "I" grade be transferred back to the active project list and be re-graded.

Mr. Henderson made a motion to adopt the policy and Mr. Trumbull seconded the motion.

Mr. Merrill asked for clarification on whether those projects scored with an "I" come before the Board for a vote. Mr. Henderson stated that it goes to archive if it is incomplete because something has not been put in the application even though it is needed to grade it. Mr. Henderson noted that the date for action had been changed from 120 to 180 since the last

meeting after having long discussions with staff. This is basically saying that there is an incomplete application. Instead of just letting it sit there, we are going to move it into the archive. At any time, the applicant can contact staff with the missing information and staff can grade it.

Mr. Merrill asked staff about applications that have been out there for 180 days, and it meets all the requirements, is there a reason that we wouldn't bring it to the Board anyway? And any member can bring it forward at any time? He recalled that some Board members do not want to bring a proposal to the Board if it will get turned down.

Dr. Harper stated that staff's understanding of the intent of this proposed change is that board members want to be well informed at all times about projects that are in the queue and that this provides an opportunity for the staff and a responsibility for staff to report based on a chosen time frame which projects have been progressing satisfactorily versus which ones we may have run into an issue. The issue could be that the applicant has not been able to submit the required information. It could be that they have had staffing changes. It could be that the scope of the project has changed. There are any number of reasons why an application might not be resolved within 180 days. For staff, this is simply recognition of the idea that our basic premise is that we should move projects along speedily, and the Board wants to know about projects that submitted applications.

Mr. Henderson said that it gives the applicant the information they may need to get the application where it can be put before the Board.

Dr. Harper stated that that staff always makes every effort to ensure that applicants are kept up to date of Triumph staff needs to be able to successfully score the project, but that this would create a responsibility for staff to notify the Board. He doubted that there would be a lot of new information contained in a discussion of why an application is being marked as incomplete that staff would not have already conveyed to the applicant.

Dr. Fuller asked if the Board is willing to vote on projects with a "C" score. Mr. Henderson noted that this proposed policy has nothing to do with the grade. This is the idea of you finishing with a score. You may get a grade of an F and it may become before the Board. The Board may decide that if it is within the statute then they want to do it, but he noted that is not his intent here to speak on the grades. Dr. Fuller commented that if the intent is to bring applications forward within 180 days regardless of the score, then is staff supposed to present it to the Board? Mr. Henderson stated that he would be fine with that, but the applicant may prefer to work toward a better grade. He noted that he does not mind voting projects down.

Mr. Remington made a couple of clarifications as we might be mixing concepts a little bit. Triumph is required to assign a grade and the "I" does not exist at this point so the Board would be authorizing an "I" grade. The issue that Dr. Fuller is talking about is that lot of times the project as presented, staff would tell them that if we graded it now, it would grade out D or C and the policy has been dictated to staff is if it is not A, B, do not bring it to us. If something is not going to grade out B or better, staff is going to try to work on it until such time as it can get to a B. If it cannot get to a B or higher, generally at that point the applicant would withdraw the application.

To give you an example though, something came up earlier about why projects linger for quite a while. One example would be OLF-8. Things change in projects a lot and for most of those, staff try to keep the Board up to date about what is happening. We saw with Project Stamper when

we were told we are going to have emergency meeting within two weeks to approve this project and now, four months later, it has gone to another state. The delays are not always caused by Triumph as a lot of times it is on the side of the applicant. Mr. Remington stated that what this policy would do is create a situation where if it has been out there for more than 180 days and does not have a B grade and the applicant wants it graded, the applicant can say we want the Board to vote on us.

Mr. Merrill asked for clarification on whether Mr. Remington meant graded or voted on. Mr. Remington said that staff would not grade something until it got to a B. Staff would provide feedback to the applicant on the potential low grade. This policy would allow the applicant to say, regardless of the grade, they want a vote on my proposal.

Ms. Henderson stated that adding an item to the agenda for a vote is at the Chair's discretion. Staff has graded projects D's and F'S. These were not brought before the Board for a vote. Ms. Skelton notified each board member by telephone, and we notified the applicants of the score received and posted that to the Triumph website. We did not bring it to an agenda item at the Chair's discretion. Mr. Henderson stated that the Board has also voted on C projects. Ms. Henderson stated that those were done at the Chair's discretion or can be done when a board member requests it. Mr. Henderson stated that he recalls voting on a C project.

Mr. Remington said that there may have been one that he could recall but again, if there is anything B or lower, it must be brought by the Chair or by a member.

Mr. Humphreys stated that according to this, regardless of if it has a grade or no grade, just any application submitted with no backup must be voted on at 180 days regardless of its validity or grading or lack thereof. Mr. Merrill noted that he had some of the same thoughts. Determining eligibility is fairly easy.

Mr. Merrill stated that this policy starts off with the eligibility requirement which he assumes is a low threshold. He asked staff how many applications have been received that meet the requirements but are never graded. Ms. Henderson stated that there are only a handful of eligible applications that have not provided enough information to be graded or are still trying to accomplish it.

Ms. Henderson stated that an "I" would be a grade. The statute requires a score and as a board, you have currently had an A-F scoring system. This policy would add "I" to the grading system.

Mr. Remington added that if staff scored an incomplete, you could be voting on incomplete project if the applicant wanted to vote or if a board member brought it for a vote. Mr. Henderson stated that it would be very unlikely, or the Board would vote it down.

Mr. Merrill reiterated that that eligibility requirement is a low threshold. Someone could come in with one job and ask for \$20 million. They might be eligible but would not be graded very well but they are not incomplete. This project would come before the Board at some point. Ms. Henderson stated that it would if a board member requested it. Mr. Merrill added that it would have to if this policy is passed. Ms. Henderson agreed.

Chair Bear stated that if we pass this the way it is written, it calls for a vote no less than 180 days post submission absent a good cause or a request by the applicant as long as it meets the eligibility requirements. A lot may meet the requirements, but they are not the projects that Triumph wants to approve.

Mrs. Weiss stated that she thinks the previous Boards have said Triumph does not want to see the project unless it is an A-B threshold, and she agrees with that. She does not want to see incomplete items to vote on or ones that are less than the "B" that they can make it better if they are given time. The Board can remain informed by the staff providing an update instead of giving it an incomplete. She does not think that the Board needs to be voting on incompletes.

Chair Bear stated that one of the things he has discussed with staff is trying to figure out how we get these applications to funding. He stated that staff works diligently with each one of the applicants to try to figure out how to get to a yes. Most of the time, we have been very successful at getting them to a yes, sometimes they do not grade well and so they do not get past that B threshold and so they have not been brought to the Board. Under our current operation, any board member can bring less than a B request to the board. We do not need a change in our process or our policies to bring an application that is scored lower than a B to a vote.

This Board has given that historic directive that they do not want to see anything below a B, but a board member can bring it and then we can have a vote. He thinks that the applications that are outstanding right now each have their own unique reasons why they are not being brought before the Board. He added that we have some that are beyond 180 days. Mr. Remington mentioned a couple of them that are currently outstanding. OLF-8 in Escambia County is a perfect example. We voted to approve their application, moved to term sheet but all of a sudden, these private entities started making requests to the county to purchase the land, which would change their eligibility if it were private land. It would not be eligible anymore and so it is on hold. The county has not asked us to archive it. They have not asked us to push it forward because they do not know what they want to do with it.

We have the DeFuniak Springs Airport where we have had their application for quite a while now, maybe a year, and that is a moving target, that thing continues to move. The applicants have worked through Ms. Henderson, then they started working through Dr. Harper and now they are working through Mr. Remington and trying to get that application to a yes so that it can come to this Board for a vote. But we have not gotten there yet. He said he does not believe it is because our staff is holding it back; he believes our staff is trying to work diligently to get these projects funded.

Chair Bear added that Project Stamper was another perfect example. The company decided not to come here. They waited and waited a lot longer than we were told that they were going to wait to make their decision on where they were going to go. So that application sat for several months and so we did not know where it was going to go. To him, this seems like a solution looking for a problem that does not exist. He said Triumph staff works very hard with applicants to get these across the finish line to get funded because we want to deploy this money to diversify and continue to improve our local economies and put our people to work and get them trained. He does not think that bringing applications here after 180 days because they cannot seem to get across the finish line before that time is really arbitrary, especially when they are continually moving. It is not that they are sitting stagnant, and no one is talking.

If the parties are not talking, then ultimately - Escambia County School District is a perfect example. They applied for a grant application from Triumph under the previous Board and they agreed to an approved term sheet. But then they would not sign the agreement, so it stayed on our active application list until he became chairman, and he asked Ms. Skelton to archive it as it

had been several years. There was no activity at all, no communication from the school district with the Triumph staff. He believes that 180 days is arbitrary and does not support this motion.

Mr. Henderson commented that both OLF-8 and Stamper got approved. There is a dock in Gulf County that has been on the list forever. There are several of them that have been on the list forever and the goal is to get more projects approved. He noted that he came up with some ideas to consider. The Board can either vote for them or vote them down. His goal is to get more projects approved, especially in the in the small counties, which are really in need of these projects.

Mr. Merrill asked for confirmation that any board member can bring a project to the Board for a vote. Ms. Henderson noted it could once it has been given a score. Mr. Merrill noted that the language of the proposed policy just states after 180 days unless the applicant does not want to bring it forward. He asked if a Board member could still bring it forward if the applicant does not want to. As an example, he asked if the application is a F but working toward a higher score, but he does not like the project and wants to vote it down, could it still be brought to the Board even if the applicant does not want to. Mr. Remington said that the applicant can withdraw the application to prevent it from getting a negative vote.

Chair Bear noted that all Board members have had the opportunity to speak. Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak.

The motion failed on roll call vote (1-5.)

Item 3 - Counties which have not met the statutory requirement, will receive a preference until they receive funding commitments equal to or more than their statutory amount. Staff will continue to prioritize qualified projects in these areas and prepare them for a Board vote.

Mr. Henderson made a motion to adopt the policy and Mrs. Weiss seconded the motion.

Mr. Humphreys asked for clarification on what kind of additional preference would the Board be committing to.

Mr. Henderson noted that the spirit is to get everyone to par. Legally, he will rely on Mr. Remington. His goal with these proposed policies is to bring them up for discussion even if all policies are voted against.

Mr. Remington stated that it is hard to quantify because there is not a definition of preference, but as Mr. Henderson said, the spirit of it would be that you would see, or at least be reported on more events like you heard about today, whereas staff directly reaching out to the smaller counties like they did with Senator Simon and like he has done with DeFuniak and that we would continue those types of activities. There is no definition of preference per se, and staff believes that they have been doing that so far. This would just put a requirement that it be documented that additional steps have been taken with respect to the smaller counties so that when compliance people come in, they say what preference have you given, and staff would have to document everything it had done with respect to those smaller counties.

Mr. Humphreys confirmed that the preference wouldn't mean that the counties that have been exceeding the amount of funds that they are awarded be negatively impacted. Mr. Henderson said that is not the idea at all. His goal is to try to get these counties, such as Walton County,

which is \$20 million underfunded, up to par. Mr. Humphreys agreed with the goal. Mr. Merrill is not sure how the proposed policy will accomplish the goal.

Mr. Trumbull commented that there is no way to quantify what we are talking about here, and the ambiguity of what the preference would be.

Mrs. Weiss said that she can relate this to whenever she has bid on construction projects, and they give extra points for minority business enterprises. Is this something where on the score sheet they get extra credit for being the under statutory requirement?

Mr. Henderson stated that the spirit is to try to spend the money for good projects and to try our best to get the applications to where they can get approved.

Mr. Henderson stated that he would withdraw his motion if the Board can just talk about the idea of trying to get these people money in a way that brings them up to par. Mr. Merrill agreed with wanting to get the counties more monies but does not want to put more things out there that auditors are checking the box on.

Mr. Henderson stated that he would withdraw his motion. He noted that due to the Sunshine laws, he cannot talk to the other Board members without a formal meeting or workshop.

Mr. Merrill commented that we must continue to educate the counties on the fact that if they bring forth a good project, we are going to vote on it.

The motion and the second were withdrawn.

Item 4 - Funding for regional projects of significance should not be counted against the required statutory minimum of any participating county unless the project is principally located in that County. This does not mean that a neighboring county cannot support a regional project. Only that such support will not count against that county's required statutory minimum allocation of funds—unless the County agrees to such allocation.

Mr. Henderson made a motion to adopt the policy and Mrs. Weiss seconded the motion.

Mr. Henderson stated that there is not a definition of a regional project. To him, regionals are in the 60% bucket (remaining funds after statutory requirements are met.) If there was a regional project, for example the FSU project, and the brick and mortar is in Bay County, but it is affecting all these counties, he does not think that the regional projects should count toward the statutory requirement for that county; regional projects should be spread out throughout the grant.

Mr. Remington stated that as it presently sits if a project came to us as a regional project, it is going to be sponsored by a governmental entity. To this day, for the purpose of quantifying a statutory minimum, it is gone toward that county's statutory minimum, regardless of if it was a regional project or not. As a reminder, the only requirement is you reach your 5% or your 4% later. Once you reach that minimum, there is no limit on the amount of funding you can get. so, it is just getting some of these smaller counties across that hump.

Mr. Henderson stated that there is a scarcity mentality in the small counties where they have not gotten to their allocated amount, and they are never going to get there, or they are never going to play in the bigger sandbox. This policy, to him, releases the anxiety of somehow some county being attached to a regional project where they did not really have anything to do with it or just

because you are the lead, but it is affecting multiple counties, it seems like that is more of a truly regional project that shouldn't be counted towards your statutory guarantee.

Mr. Remington stated that we have not had that situation yet, but it is possible it could arise.

Ms. Henderson added that currently, Florida's Great Northwest is a regional organization, so their funding is not applied to any county's minimum. It is just generally taken out of the Triumph fund. It is not applied to any county. It has been brought to us, the potential for a future project where Gulf and Franklin would have a logistics project that they might both go into together and they would each have funds assigned to their minimums - or not if one is above the minimum by that point. We have heard from them that they may join into a project at some point on logistics, so those are the kinds of projects that we have heard that could have regional impact.

Chair Bear stated that there is an application pending from Visit Florida. Ms. Henderson said that it is a pre-application at this point but yes, this would not be assigned to any county.

Ms. Davidson stated that in the past, the allocation has been decided on a per project basis and the Board has decided that in the case of Gulf and Franklin, you would decide to allocate it to those two counties, that everybody's agreement in this situation where it was regional, the Board in the past has created a supplemental column, which is what you see on the Schedule of Funds document to put such projects that they did not want to count towards any county's statutory requirement and it was going to benefit everybody.

Mr. Henderson stated that this is more arbitrary but is not a policy; it was subject to the Board's wishes at that time. Mrs. Davidson noted that so far it has been on a per project basis.

Mr. Humphreys asked what the repercussions of not meeting a statutory minimum are. Mr. Remington noted that the only repercussion is that for every county, there is a minimum amount earmarked. In other words, we cannot encroach upon those funds and spend them in another county. Once a county minimum is met, then we do not have to earmark any funds anymore. Your grant awards would come from the general Triumph fund. He noted that there are restricted funds which are earmarked for the statutory minimums and then unrestricted funds that could go toward any grant.

Mr. Humphreys noted that those may not become an issue until you start to get to the very tail end of the of the fund. Mr. Remington confirmed this. He noted that Triumph receives money every year. Every year, a portion, it is 4% now, of what comes in goes to each county. So, every year that money is earmarked and if it is not spent, it is just collected so it will remain available to be spent.

Mr. Merrill noted that as the money keeps coming in and a county accumulates \$40 million and there are no other monies left except for that one county. Mr. Remington noted that Triumph cannot spend that money anywhere except on that county.

Mr. Merrill added that it goes to what Mr. Henderson was saying about the anxiety of someone taking the county's money. What if there is \$40 million sitting there and Triumph sunsets?

Ms. Henderson said that the Board at that time could create a project they want to spend it on, or it can allow an eligible entity in the county to submit a project. The Board could decide to spend it on building public infrastructure, or on a school building or other eligible project. At the

end of Triumph, that Board will have the opportunity to decide how to spend the remaining funds.

Mr. Merrill commented that the Board at that point, whether that county brought forward the project or not, that money would be spent in that county. Mr. Remington confirmed that the money would have to be spent in that county. And in a worst-case scenario there is still a statutory minimum there and you're putting it on the proverbial boat ramps in that county. Hopefully we do not get to that point, but any public infrastructure project technically meets that eligibility line, so if we get to the end of the fund and we do not have good projects in each county there will be a mechanism for the Board to distribute the money to that county.

Chair Bear stated for clarification, there is no sunset of our Board, or our organization set up in the statute. Triumph is in perpetuity until the legislature changes their mind or changes the funding. The funding comes in through 2034, but we can expend it until it is gone.

Mr. Merrill commented that that even if there is no new revenue coming in 2035 and beyond, they could just continue.

Mr. Remington stated that eventually, Triumph will be in a position that it continues for the full term and obligates all its money, but then it'll probably take a year or more to try to disperse the money. He anticipates the Board will last longer than the money comes in because we will still be funding projects.

Chair Bear said it could be ten years beyond the encumbering of those funds if the last final application encumbering the final amount of money that year it happens, it could be a 10-year grant that it pays out over 3-4 years with the ramp up period and then there is the maintenance for compliance that would have to continue. Ultimately, Triumph would have to continue because they cannot, they are not going to take the money back. Mr. Remington commented that the good news is that this board cannot be reappointed so it will fall to someone else.

Mr. Humphreys asked if Triumph has the money, for example in Walton County, and the county has not met the minimum, there is money in it, and we are looking for ways to spend it. You mentioned that at that point the Board creates projects, is that something we can do now?

Ms. Henderson commented that the monies that the Board unencumbered earlier today were programs created by the Triumph Board. The Triumph Board created the Fast Track education programs for post-Hurricane Michael for construction and the Board created one during COVID for logistics and distribution. Those were Board created programs and we had applications that were specific to the education entities to apply.

Mr. Humphreys noted that he appreciates what Mr. Henderson is doing and if the communities cannot come up with good ideas, perhaps Triumph needs to come up with good ideas for them. While he does not have any ideas but maybe that is another path. He noted that Mr. Henderson has mentioned advisors or whether we need to be more proactive in some of these rural counties that may never come up with enough to meet the statutory minimums. You know this might be the direction that we might want to investigate to start spreading wealth.

Chair Bear noted that everybody has had an opportunity to speak to this motion. Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion failed on roll call vote (1-5.)**

Item 5: Experience has shown us that the resources and needs of the Triumph counties differs significantly across the region. In order to assist the communities with fewer economic development resources, TGC staff will communicate with each of the four least populated disproportionately affected counties to assist the Counties with identifying and applying for Triumph grant opportunities.

Mr. Henderson made a motion to adopt this policy and Mr. Trumbull seconded the motion for discussion purposes.

Mr. Henderson stated that it is difficult for these small counties, because they do not have the assets, they do not have the resources, there is a litany of things. He likes the idea of the spec building program that Dr. Harper and Ms. Henderson have mentioned. He would like some kind of program that is not forced upon anybody, but we have it out there. The State is telling us nobody likes the idea of money sitting in accounts that is not getting spent. He said he tells that to our county leaders all the time because it makes you look like you have all this money, and you only can spend it on certain things. But you need to spend it on those things. If we can help the counties help themselves with programs, I think it would be very beneficial.

Mrs. Weiss stated that she believes that staff are already reaching out to those counties to try to encourage them.

Mr. Humphreys noted that the staff is already in constant contact with the different representatives, and different county's economic development offices. Ms. Henderson noted that she, along with Dr. Harper and Dr. Fuller, work with local governments on a regular basis. They spend a significant amount of time talking through possibilities. Dr. Fuller sometimes does more lifting than some of the applicants you have seen as he has coached them very well. Dr. Harper and Ms. Henderson have proposed potential projects to a number of communities that would be infrastructure related. We continue to work with them regularly.

Mr. Henderson thinks that one of the pitfalls with the DeFuniak Springs Airport would be that USI being a private company and that being something to Triumph is not for.

Dr. Fuller stated that staff tries to be very careful in stating that we cannot speak for the Board. The staff just has conversations about direction, what is important to the district and how these fit into the overall plan, have you talked to your commissioners or your school board. Staff recently received a proposal that stated the school board was a partner. After a few phone calls, the school board is calling that entity to state that no one has even met with them about this proposal. Dr. Fuller said his biggest fear is that someone will come in here and say, "Frank said."

Ms. Henderson noted that she and Dr. Harper have had phone conversations with each board member over time. We definitely use that as we negotiate with communities and share your opinions and thoughts with Dr. Fuller so that we are speaking on behalf of each of you. Again, because of Sunshine, we cannot share with you what each of you thinks but we know what each of you think and we try to incorporate that as we brainstorm with communities on projects that would meet their needs and your interests.

Mr. Trumbull stated that he does not have a problem with the proposed policy because it really is not changing anything that we are not already doing. Is there any directive in this motion that would change what staff is doing now?

Chair Bear stated that the motion is for staff to continue to communicate with each of the four least populated counties. Mr. Merrill stated that Mr. Henderson wanted this item for discussion but needed to make a motion in order to have the discussion. He would rather see the motion withdrawn than to put another criterion that auditors looking at. Mr. Henderson stated that he would withdraw his motion.

Mr. Remington added that the discussion is great for the Board and whether you adopt some of these or not, it has changed behavior of staff. For instance, we are now trying to communicate more in the meeting about everything that staff are doing with these smaller counties. As you heard Ms. Henderson earlier, and Dr. Harper upgraded his score sheet, so we are trying to be more deliberate about communicating with the Board, so you know exactly what the staff is doing.

Mr. Henderson withdrew his motion.

Item 6: Many things have changed since Triumph originally started—hurricanes Michael, and Sally, the pandemic, inflation, etc. In order to assist the board and its constituent counties, Triumph should commission a new or updated economic study of the eight affected counties. This study will include current strengths and weaknesses of each county, a list of the strategic economic development priorities in the region and any suggestions for ways to strengthen Triumph's impact. Staff is directed to engage with Florida's Great Northwest to determine if cooperating on such a study makes sense and provide the board with a report and recommendation for moving forward with such study.

Mr. Henderson made a motion to adopt this policy. The motion died – there was no second.

Public Comment

Megan Harrison, CEO for the Walton Area Chamber of Commerce, noted that given the last bit of conversation coming from Walton County and knowing that we have had a lot of efforts to win some Triumph dollars for the county, if there is an opportunity to provide an updated educational forum through either the Chamber or the EDA of Walton County, they would love to host that to create more education and information because we have folks regularly reach out to ask if this is something that we could apply for Triumph dollars for. There is definitely interest. In addition to there being interest, she feels one of the hurdles that from our business community is they do not have the bandwidth or the resources to be able to invest in the time needed to fill out the application. We talked about the interest that is being earned on the dollars right now. I do not know if the same Triumph rules apply to the interest that applies to the Triumph dollars. Is there an opportunity to consider adding a staff person that can assist some of the rural counties and smaller groups with completing their application? She is just brainstorming some ideas and would love to expand the conversation with staff if there is an opportunity for that.

Mr. Merrill asked if she could apply for a grant for such purposes. Mr. Remington said that under statute, yes. The statute defines applicant as any person, individual entity in the 8-county area. Now she could file whether the project would be eligible is a completely different question. You

must remember the statute is somewhat of a Frankenstein because in 2013 when it was originally written, it was very, very broad. And then in 2016-17, when it was narrowed by the Legislature, all the verbiage of the statute did not catch up. The statute as currently written does not contemplate an individual applying for a grant.

Mr. Merrill noted that the Chamber of Commerce or its C3 foundation could apply. Mr. Remington confirmed that they could apply but could not confirm whether it would be eligible or not. Mr. Henderson noted that the Walton EDA could apply.

Ms. Henderson noted that some eligible uses are public infrastructure, local government emergency equipment, and workforce training. Those are the statutorily eligible items that Triumph can fund. The Statute allows anyone to apply, but not everything is eligible, and so it allows ineligible entities to apply because as Mr. Remington said, it was created over time and amended. Anyone can apply, but not everyone is eligible.

Mr. Merrill wondered if there is a way in some of these counties that do not have the resources to create a co-workspace through this grant to help these people who do not have the bandwidth or the time or the expertise. Ms. Henderson said that staff has discussed co-workspaces, more of the incubator type model where job creation occurs, and she would be happy to have that conversation. A public entity would need to apply for the space.

Mr. Humphreys asked if, aside from funding to have a position to help fill out applications, if I am a new applicant without the means to have a group ready to fill out an application, what kind of support or advice does staff give to an applicant that has no means?

Ms. Henderson said that Triumph has funded a couple of applications that were not very extensive in the information provided because enough information was provided, and Triumph staff does not review the applicants' grant writing skills. We review the information provided that we need to be able to have Dr. Harper score it and for us to be able to have a conversation with you as staff, what I think Dr. Harper used to say this, we are not an NSF grant, we are not a federal grant. We are not expecting professional grant writers. We are just expecting enough information to be able to evaluate. We have discussed this before with previous Boards, but as the review team, we do not think professional grant writers are necessary. It is just a matter of explaining in the application what you are going to spend the dollars on and what are your outcomes going to be. The statute requires Triumph to do the economic analysis, not the entity applying.

Mr. Humphreys commented that he would just encourage any of these people that are kind of deterred from filling out that application that even if it does not look professional, just to go ahead and do your best and submit it, because there are people that will walk it through or as far we can.

Closing Remarks

Mr. Merrill stated that it was a good meeting.

Mr. Henderson said that he has said enough.

Mr. Trumbull noted that it was a good meeting. He added that the Board is maturing and starting to get to know each other and that is a good thing.

Mr. Humphreys thought it was a good meeting. The FSU project sounds really exciting. It was nice for Dr. McCullough to visit with us. He also wanted to thank Mr. Henderson for stirring things up and getting us talking.

Mrs. Weiss thought it was a great meeting too. She too appreciated Mr. Henderson bringing these items up because we do want to get more of the money out. She will second whenever she can to keep us on discussions because we do need to have these types of environments where we can talk about issues and process.

Chair Bear also thanked the Board for another robust discussion of these items. He thanked Mr. Henderson for bringing these items to our attention. He also thanked the staff for all the work in getting us prepared, working through these applications and all that work that goes on behind the scenes for these transformational projects. He thanked Ms. Henderson for stepping in during Ms. Skelton's absence. He asked that we keep Ms. Skelton and her family in our thoughts and prayers.

There being no further business, the meeting was adjourned at 1:01 p.m. CT.