

**Meeting Minutes**  
**Triumph Gulf Coast, Inc.**  
Pensacola State College, Building 27  
Bear Jones Moore Reeves Center for Math and Advanced Technology  
1000 College Boulevard, Pensacola, Florida 32504  
December 13, 2023 10:30 a.m. CT

**Members Present:**

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

**Call to Order & Welcome Roll Call**

Chair David Bear called the meeting to order at 10:34 a.m., CT. Ms. Susan Skelton, Executive Director, called roll and announced the presence of a quorum.

The first item on the agenda was review and approval of the November 7th Board meeting minutes. Chair Bear asked if everyone had an opportunity to review the minutes.

Mr. Bryan Corr, Sr. had a question about a few instances in the meeting minutes regarding the percentage increase in the lease purchase option for the Santa Rosa building. Mr. Corr believes he saw 7% in the minutes but thinks it should be 7.5% instead.

Ms. Skelton confirmed the minutes would be amended.

**With no further corrections, on a motion by Mr. Collier Merrill and seconded by Mr. Reynolds Henderson, the November 7, 2023, Meeting Minutes were approved as amended without objection.**

**On a motion by Mrs. Leslie Weiss and seconded by Mr. Reynolds Henderson, the November 7, 2023, Performance Review Meeting Minutes were approved as circulated without objection.**

**Election of 2024 Officers**

The next order of business before the Board was the election of officers for the Triumph Board for a term of one year, beginning January 1, 2024.

Ms. Susan Skelton was nominated for the position of Secretary by Mr. Reynolds Henderson and the nomination was seconded by Chair Bear. There were no further nominations and no objections. The position of Secretary will be filled by Ms. Skelton by acclamation.

Mr. Reynolds Henderson was nominated for the position of Treasurer by Chair Bear and the nomination was seconded by Mr. Jay Trumbull, Sr. There were no further nominations and no objections. The position of Treasurer will be filled by Mr. Henderson by acclamation. Mr. Henderson said he is happy to serve again but noted that this will be his last term as Treasurer.

Mr. Jay Trumbull, Sr. was nominated for the position of Vice-Chair by Mr. Merrill and the nomination was seconded by Chair Bear. There were no further nominations and no objections. The position of Vice-Chair will be filled by Mr. Trumbull by acclamation.

Mr. David Bear was nominated for the position of Chair by Mr. Merrill and his nomination was seconded by Mrs. Weiss. There were no further nominations and no objections, The position of Chair will be filled by Mr. Bear by acclamation.

## **Treasurer's Report**

### **October 2023 Financial Report**

Mrs. Jennifer Davidson, CPA, presented the October financial statements. She stated that Triumph had total assets of \$598.3 million as of October 31, 2023. The budget to actual comparison for the month of October shows Triumph Gulf Coast under budget for administrative costs by about \$10,000.

**Mr. Henderson made a motion to approve the October Financial Report as presented. The motion was seconded by Mrs. Weiss and approved without objection.**

### **November 2023 Financial Report**

Next, Mrs. Davidson reviewed the November 30, 2023 financial statements. The Statement of Financial Position shows \$590.8 million in total assets. Mrs. Davidson noted that Triumph distributed about \$10.2 million in November. For the 11 months ended November 30, 2023 Triumph has distributed \$44.5 million. The budget to actual for the 11 months ended November 30th shows Triumph has collected \$14 million in interest income. Triumph is under budget in administrative costs by about \$64,000.

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

### **2024 Proposed Operating Budget**

Prior to the official report, Ms. Skelton noted that the proposed budget reflects adjustments that staff made to pay during the November meeting, and an additional cushion in the computer services line item so Triumph can add emails for additional staff, and staff has rounded up a little bit on some of the areas where they anticipate increases in requests for funding, like the website. Generally, the proposed budget is fairly similar to what Triumph has had in the past, but reflective of the need to begin to spend down the \$5 million appropriation for compliance.

Mrs. Davidson began the official proposed operating budget request by noting the earned interest is now in the budget line for 2024, whereas they did not budget for that in 2023. The 2023 interest is shown in the reconciliation at the bottom of the budget, and that \$14 million will be updated to include December's interest once they have that final number. They have estimated \$12.5 million in earned interest for the six months of 2024 that have already been awarded. The interest does not have to be spent on administration, but it *can* be spent on those

costs, whereas the \$5 million in the 2022 column at the reconciliation is *required* to be spent on administrative costs and the Board has already made the decision and approved use of that \$5 million as of now, and to reduce it by each month by the Grants Evaluation Costs. On this budget line for 2024, \$333,200 is already set aside to come out of the \$5 million.

Chair Bear then reminded the Board that the legislature only allowed Triumph to retain the interest through one fiscal year, which ends June 30th, so that is why it is only \$12.5 million, and not the entire anticipated interest for the fiscal year. It's probably half of what will be generated through June 30, 2024, but they can only budget what they have already been allocated to keep.

**Mr. Henderson made a motion to approve the Proposed Operating Budget as presented. The motion was seconded by Mrs. Weiss.** There were no comments from the general public. **The motion passed 7-0.**

### **Approval of 2024 Signature Authority for Bank and PRIME Accounts**

Chair Bear asked Mrs. Davidson if there would be any needed changes to signature authority based on the elections.

Mrs. Davidson explained that there are different authorized users for Triumph's two different accounts. Currently, Centennial Bank's authorized users are Mr. Bear, Mr. Henderson, Mr. Humphreys, and Mr. Trumbull; and the current PRIME authorized users are Mr. Henderson, Mr. Bear and Mr. Merrill.

The Board then proceeded to make separate motions to approve signatures as presented for each of the two accounts, Centennial Bank and PRIME.

**Mr. Henderson made a motion to approve the signature authorities as presented for the Centennial Account. The motion was seconded by Mrs. Weiss and approved without objection.**

The Board then discussed the signers for the PRIME account. Mrs. Davidson re-stated that currently the authorized users for the PRIME account are Mr. Henderson, Mr. Bear and Mr. Merrill.

Ms. Skelton recommended that Mr. Merrill acquiesce, so that the new signers would then be Mr. Henderson, Mr. Bear and Mr. Trumbull, representing all 2024 Triumph officers.

**Mr. Henderson made a motion to approve the signatures as presented for the PRIME account. The motion was seconded by Mrs. Weiss and approved without objection.**

### **Staff Report**

Ms. Skelton noted that this was the first time that all Triumph staff has been together, except for Mr. Manning, who had a court date during the meeting time. She then introduced staff, from one end of the table to the other, as follows: Theresa Baker, Administrative Specialist; Cecily Kopytchak, Administrative Assistant, who is also affiliated with Clark Partington, but working for Triumph part-time after hours; Jennifer Davidson, Scott Remington, Susan Skelton, Cori Henderson, Rick Harper, Frank Fuller and Randy Lewis.

### **Auditor General Report**

Ms. Skelton reported that the Auditor General Report is final and published, and there were no findings against Triumph for the 2022-2023 audit period. She noted that Mr. Henderson also received a copy of the Auditor General's Report of the State Board of Administration and the PRIME fund, and they also had zero findings this year, so they are clean all the way around.

### **Legislative Update**

Ms. Skelton stated that this is the last week of committee meetings before Session starts the first week of January. Triumph is only tracking one bill at this point in the House and the Senate, but it relates to the length of time after someone leaves his or her service that they can do business (or cannot do business). Basically, it has to do with some lobbying restrictions related to foreign countries. They do not think it is going to have any impact on anyone, but staff is keeping everybody apprised and will keep watching for anything else.

### **Semi-Annual Report to Governor and Legislature**

Ms. Skelton said that staff is working to complete Triumph's Semi-Annual Report to the Governor, Legislature, Cabinet, Congress, and Florida Commerce. Staff then requested permission to allow the staff and the Chair to complete the document and transmit it to the appropriate parties by December 31st.

**Mr. Henderson made a motion to finalize the Semi-Annual Report. The motion was seconded by Mrs. Weiss and approved without objection.**

### **Legal Report**

#### **Update on Process for Renewal of Directors and Officers Insurance Policy**

Mr. Scott Remington began the legal report with an update on the D&O and Employer Liability insurance coverage. He was not present at the last meeting where counsel presented a quote for coverage in the amount of \$1 million for the D&O limit and \$1 million for the EPL limit. It is his understanding that the Board requested that counsel obtain quotes for higher limits, and that Chair Bear was granted authority to bind that coverage if he so chose. Mr. Remington stated that counsel did receive a quote from the same insurance company. It is the same policy, but the limits are increased to \$5 million for D&O coverage, and the limit remains at \$1 million for EPL coverage. For the difference in price between the two policies - the \$1 million policy is \$18,161.85, and the \$5 million policy is \$39,589.20. Mr. Remington concluded by stating that the Chair requested he present the Board with these policies and seek their input, concerns, or direction before he binds one of the policies today.

Chair Bear stated that while the Board authorized him to bind it, because of the price differential, he just wanted to bring it back to the Board for discussion if desired. The Chair noted that the \$5 million is a lot more coverage but inquired as to the risk and whether it is worth paying twice the price.

Mr. Remington stated that he does not have a crystal ball and that anybody can sue anybody for anything, but part of the benefit of having coverage like this is that the insurance company will have a duty to defend Board members. He also stated that the types of actions that may come up against individual Board members or groups of Board members would be: violations of statutory duties, engaging in improper business transactions, allegations relating to improper

lobbying, violations of the Sunshine law, breaches of fiduciary duty, mismanagement of the Board's assets, employment practices liability, voting on conflicts of interest that end up inuring a benefit to the member, any financial misrepresentation or defalcation, violations of regulatory compliance or other laws, intellectual property infringement, libel and slander claims, violation of not-for-profit laws and potential liability for cybersecurity breaches. Those are the types of claims that could arise, not to be an exhaustive list. Almost anybody has standing to sue citizens from the State of Florida.

Mr. Merrill expressed his opinion that while the increased insurance would be twice the price, it would provide five times the coverage, so he supports adoption of the higher limits.

Mrs. Weiss stated that in terms of cyber security coverage, she believes it is a big factor and that even going for the \$5 million just does not even seem near adequate.

Mr. Remington explained that cyber coverage is a broad topic and there are a lot of exclusions in the policy language, but Triumph gets the best coverage they can get for that.

Mr. Trumbull asked whether counsel thought of going outside the existing insurance company to get another quote.

Mr. Remington replied affirmatively, stating that counsel shopped prices with multiple companies last year. The unique issue they have is there are not many Boards that are set up like Triumph, so because they have a history with this carrier, their quote last year was significantly less. The feedback they got from the broker was that they are going to see the same thing – that because Triumph has a history with them - the policy stayed almost exactly the same. If Triumph went with a new carrier who was unfamiliar with its processing policies, they would be looking at a higher premium.

While unrelated to insurance, Mr. Humphreys inquired about whether there was a lot of fraud in the banking side of things, and whether they have an insurance policy or coverage against it.

Mr. Remington said that is another broad question. There are some situations where Triumph would be covered by virtue of the Bank's policy. In some situations, they would be covered by virtue of the policy from their internet supplier, but when they get into what they call social engineering frauds, spam emails and things, a lot of that law is very nebulous, and he cannot promise that they are going to have coverage for one of those types of events. Fortunately, the transfers that they have typically require medallion signatures, verifications and they know where they are going, and he thinks they have two Board members approve every transaction, so they have as many safeguards in place as they can to prevent a fraud, but they cannot imagine every fraud that is out there and guarantee that it would be covered.

Chair Bear reassured the Board that it takes two people to verify each transaction, and that their maximum daily limit is also \$500k, so when they have a higher need for a higher transfer, they must get the bank's approval. The process is that one person asks, and then the banker would call a second person to verify that they are requesting a higher limit.

Mr. Henderson said his biggest fear would be a hack of PRIME or Centennial.

Mr. Remington replied that if PRIME is hacked, it would be a state issue, and if Centennial is hacked it would be a combination of FDIC, depending on their balance and whether they are

covered, and potentially liability against the bank. Triumph would only be running a risk for the money that has been put in the account.

Chair Bear reminded the Board that hacking would require a really tight time frame as Triumph does not keep more than \$250,000 in the Centennial account.

Mr. Corr stated that in his experience, this top policy does not cover defalcation, and counsel might want to look at that.

Mr. Remington replied that it would depend on the allegations of defalcation. It would cover them if there was an allegation perhaps that was defensible or cover their defense, but ultimately there is going to be an exception for any intentional act.

Chair Bear thanked the Board for their input and stated that he has got his marching orders – they are going to go with the higher limits, and he will work with Mr. Remington after the meeting to execute the binder.

### **Proposed Grant Award Agreement for Proposal #297 – P.R.I.D.E. Enterprises – Construction Trades Training Program – up to \$923,745**

Mr. Remington stated that the purpose of the grant is to provide partial funding for the following project to issue through Pensacola State College up to 400 industry-recognized, or Triumph approved, certificates in OSHA 10 plus NCCER Carpentry 1, and these programs would be made available to inmates of the Florida State Prison System. In all other respects, the grant award agreement is consistent with the term sheet the Board approved at the last meeting.

Following Mr. Remington's summary, Chair Bear welcomed back Mr. Jack Edgemon, representing P.R.I.D.E., to speak on the project.

Mr. Edgemon provided a quick update of their construction trades program. They, in conjunction with President Meadows of Pensacola State College and the Department of Corrections, launched the program in June. They are in their second semester now, and it is going well. They learned a lot from the first semester, and that class will graduate sometime in January. They are going to have a groundbreaking for a building which will launch the second part of their program, the actual construction of micro homes using the students who go through the construction trade program who will graduate and work in their construction program. They think this is a very transformative program and are very hopeful that the Board will look favorably upon their grant application.

### **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.

Dr. Ed Meadows, President of Pensacola State College, said that this facility, which was funded in part by the Triumph grant, is one of the things that certainly strikes to the core of the college's mission for training the workforce, and it provides an opportunity that is unique, in that not only is it producing a product that can be sold to support this program moving forward, but it also provides skills to the inmates that will soon be released as citizens seeking employment instead of possibly ending back up where they came from. He would highly encourage the Board to

consider this positively. It started well. They have a fantastic instructor and the plans to expand it are very sound. Pensacola State College looks forward to continuing to work with P.R.I.D.E. and the prison system in in this project.

**The motion passed unanimously on roll call vote (7-0.)**

Mr. Remington then introduced **Proposed Grant Award Agreement for Proposal #318 – Santa Rosa School District – Santa Rosa Center for Innovation – up to \$9,000,000**, which is a grant award agreement between Triumph Gulf Coast, Inc., and the Santa Rosa County School District. The proposed grant is a grant for up to \$9 million to provide partial funding for the following project: lease and eventual purchase and renovation of a 10,608 square foot building located at 6447 US Hwy. 98 in Milton, FL, for use as an Innovation Center for K-12th grade in science, technology, engineering, entrepreneurship, arts, and mathematics. This will enable the school district to deliver at least 9,788 net-new industry recognized or Department of Education approved CAPE certificates, or certificates that have been submitted for inclusion in the CAPE list. It also provides for equipment, supplies, industry certification, curriculum, testing, materials, and personnel costs. The proposed grant award agreement is consistent in all respects with the term sheet that was approved at the last meeting and other Triumph grant awards.

**Mr. Henderson made a motion to approve the Proposed Grant Award Agreement and Mr. Trumbull seconded the motion.**

Chair Bear asked the Board if there was any discussion.

Mr. Corr introduced a couple of points for discussion. He feels there is a discrepancy in the way the purchase option was written. They took two appraisals and took the average, and then they grew it by 7.5% per year, and that compounds. The average of the two appraisals is \$950,000. If you put 7.5% on top of that for six years, you come out to about \$1.3 million. Is it appropriate to fund a fixed 7.5% compound growth rate at an appraised value for purchase? Also, they have got \$2 million in the budget, and he cannot understand how the District came to that number. He does not know if they have some refreshing the building built into that number or how they came up with that.

Chair Bear invited Ms. Jennifer Hines, Coordinator of Workforce Education; Joey Harrell and Danny Zimmern to speak to Mr. Corr's questions.

Ms. Hines thanked the Board and introduced Mr. Joey Harrell, Asst. Supt. for Administrative Service for Santa Rosa District Schools, and Mr. Danny Zimmern, who has been a real estate agent for this project. They are excited about this project. It is going to be transformative for their school district. With respect to the \$2 million - when they first did the budget, they just estimated based on appraisals. They had the opportunity to get two appraisals and then the owner could do a third. So, when they first did the budget, they did not know if he would go back for a third appraisal, and that is why they put it in the budget. They just anticipated maybe he would get a higher appraisal and then the average of those three is where the \$2 million in the budget came from. Now that they know that it is going to be the average of the two appraisals, and he is not going to go back and get a third appraisal, they anticipate not needing the whole \$2 million. They will only leave in the amount that is agreed upon, which is the average of the two appraisals.

Mr. Corr asked whether they cannot exercise the option until March of 2028.

Ms. Hines called upon Mr. Danny Zimmern to come up and help to answer some of the questions about the lease purchase option.

Mr. Zimmern joined the discussion and offered to answer any questions he could.

Mr. Corr asked why they would exercise the option in year 7 and not in year 5?

Mr. Zimmern responded that it was because the owner would not sell. The building was originally for lease and the school district was not going to improve a leased building that way, so they had to negotiate a purchase and the owner was not interested in selling now but that he would in seven years.

Chair Bear restated as he understood it - the owner agreed to sell it, but not for seven years, so the owner will lease it for seven years with the option to buy after seven years.

Mr. Zimmern confirmed that Mr. Bear's understanding was correct, and he stated that the school district is required to accept the purchase option in their agreement with Triumph.

Ms. Hines stated that the district would purchase the building today if the owner would sell it to them, but he is not willing to sell, so that is why they started discussing lease options until he is ready to sell.

Mr. Corr noted that there is a date of March 1, 2028 on the agreement and questioned if that is when they can first exercise the right to purchase?

Mr. Zimmern explained that he believes it is at seven years, and at the end of that, they get to about \$140 per square foot. The question is whether it is usable or total square footage, but about \$140 per square foot. There are comparables in the market today that are that number, so those increases get us to a rate that we still feel is very acceptable. They are obviously paying for the building's value based on today's value, not on the improved value, plus 7.5% compounded interest for seven years, for today's value. The district did not want to leave it up to market values or changes that were not fixed every year.

Chair Bear asked if the seven years and \$140 per square foot purchase includes the dollars that Triumph and the school district would be putting into these improvements, or if that number is calculated without the improvements?

Ms. Hines confirmed that the two appraisals were done on a building without improvements. They did not want to put money into a building, and have it improved to become worth much more, pay for a lease, then have to buy a building that we have already improved, both based on improved value.

Chair Bear stated that he does not mind the 7.5% increase each year for the seven years on the improved cost, but they are also required to pay \$112,000 a year in lease payments for seven years, so they are adding an extra \$800,000 on top of that purchase price; and if they purchased it today, they would not be paying it based on the appraisal, so it is almost doubling with the 7.5% increase, plus the required lease payments. In seven years, they are basically paying twice what it is worth today when they occupy it and improve it. He does not know if that is good use of public dollars or not. He expressed excitement about the project and the program and knows that the school district is excited about it. It is a great project, and it is great for the



community to see it happen, but he would assume they are bringing this to Triumph because they had no other option to get started.

Ms. Hines confirmed it is true that there were no other options. When they looked at property in Santa Rosa County, this was the only one they had available in their county that would fit their needs. There was no other building, and the school district does not have any buildings. They have some properties so they could build something from the ground, but they do not have any building space. They negotiated a lot with the owner, because they would much rather just purchase this building outright and have it become theirs and move on, but he is adamant about not selling for five years.

Mrs. Weiss asked if all other options and locations had been exhausted, whether timing would allow them to build on land that is already owned.

Ms. Hines explained that the school district has land, because they are building a new high school, but they do not have any buildings that they could add on to; and she referred the question to Joey Harrell, Superintendent of the Santa Rosa School District for a more thorough answer.

Mr. Harrell stated that as Ms. Hines explained the grants and the process to him, he understood there needed to be four walls established and then they could either grow part of that building or do the renovations and the remodel within the building itself, so no new construction was available for the grant. Ms. Hines is correct - they have no additional space that is sitting on a campus (say 10-12k square feet) that they could turn into that type of usable space. As they look throughout the area in the county, especially in the Milton area because of the accessibility, it met a lot of needs for the school district - the students that would be able to attend this program with short range without having to bring them in from the south end of the county. It just met a lot of needs for them, and the four walls are there. They can grow it to some degree, but they really needed to have a fixed building that was already in place. So, do they have property? Absolutely. They have been purchasing over the past four years with the growth of Santa Rosa, but it is just property. It does not have any buildings on it.

Ms. Hines interjected that they had a conversation with Mr. Shannon Ogletree, Santa Rosa County Economic Development Officer, about available space in the area and he helped lead them to this building, because when they were discussing their project with him, it was the only building that was available.

Mr. Harrell also explained more about the estimate for the remodeling cost of the building. As he worked with the architectural firm to build the new high school, they were seeing numbers continue to climb and hit the \$300-\$450 per square foot for new construction. They certainly did not see that number in the construction of the new high school, but it was in the high \$300s. In the process that they use in Santa Rosa County, they have a design firm, among one of their architectural and engineering companies, that is selected to design something and then go out for hard bids. He would anticipate the actual numbers being less than what is contained in the proposal. They did not want to come back to the Board and say they did not plan well enough and that now they need \$400 a square foot. If those funds are not needed, then they will not expend them because all of that will be taken care of through the bid process and then get approval in their typical fashion of how they do construction.

Ms. Skelton reminded the Board that as they go through the bid process, staff will have eyes on that process, and additionally Mr. Randy Lewis, Triumph's Construction Advisor, will be reviewing documentation to make sure that it is within reasonable bounds as they begin their renovation process.

Mr. Humphreys asked Mr. Harrell whether his understanding that the requirement that there be an existing building came from the school district or from Triumph.

Ms. Hines answered that they were under the understanding that Triumph would not do new construction.

Mr. Humphreys said that he didn't think that was the issue – he would defer to staff, but he noted that Triumph builds all kinds of things.

Ms. Cori Henderson, Program Administrator, explained it was more of a speed to completion issue that was decided by the school district's team. It was Triumph's understanding that to build this new facility would take a lot longer than having an existing building.

Mr. Henderson asked Mr. Remington if for some reason the school district did not purchase the building at the end of the lease-to-purchase period, what would happen?

Mr. Remington explained that it would be a default of the grant award agreement to the extent it impacted their ability to deliver the certificates that Triumph required of them, they would claw back that money and would not disperse it to them to buy the facility. Triumph would not be out any funds for purchasing the facility, but they may be liable to Triumph if their failure to purchase resulted in their inability to meet the performance metrics.

Mr. Trumbull asked whether it would it be possible to rent this building for five years and then simultaneously build a new building? In other words, as Chair Bear stated, they have to add the lease amount, but if they want this project to get started now, they have to have a building, so that lease amount that they'd be paying, they'd be paying anyhow, so the issue that they have is that deal is not a great deal - the accelerator that they got, so is it a possibility to do something like lease the building for five years while they are building another building?

Mr. Harrell responded that the issue would be that they still have to do improvements. That that would be the biggest barrier. When they start looking at the open warehouse building, and bringing all of that up to code, not only for the for the state requirements for educational facilities, but also fire sprinkler systems, HVAC, fresh air - all those types of things that will come into – it would be more beneficial to back out of it completely at that point.

Chair Bear noted that it sounds like they are getting quotes for the construction of their new facility north of \$300-350 per square foot, and at the end of the lease they valued the purchase of the building at around \$140 per square foot, so it would approximately be half of the value today. I do not see construction costs coming down. They may stay flat, but it is still 50% of what it would cost them to build.

Mrs. Weiss mentioned that if they have \$450 for improvements included in their proposal, and there is no restriction on building new, it seems that it would be more cost effective to use the county's land or the school's land that they have already, and for \$450 dollars per square foot to just build it.

Mr. Harrell stated that from that standpoint, they do not have room. He would have to look at some of the unimproved property that they already have. They would start getting into all the design work such as storm water and tying into sewer systems if they are available. He believes that would require additional costs, as opposed to this which already has a lot of that infrastructure in place. It would still be an expense to level a piece of property and start from scratch.

Mrs. Weiss explained that she is a civil engineer, and she thinks the cost of \$140 per square foot for a building is nowhere near what it would cost to extend utilities and do the earthwork. She believes it would be better if they had their own vacant land.

Mr. Corr asked whether Triumph could approve this project without the purchase option? He suggested that they might take out the line item (purchase option) and leave the lease in for 10 years. They could fund the rents, which appear to be market rents, but suggested they not approve the purchase. Five to seven years down the road, the district could come back to Triumph to amend the grant award to fund the purchase, but they would get appraisals at that time. They may come in higher with \$4 million worth of improvement for a 10-year project.

Mr. Harrell explained that the \$4 million is a budgeted number that they were using back in June as they went through their Phase Three for final budgets to their Board for our new construction, so he utilized those numbers which the project did not bid out at, and if the project does not bid at those numbers, at or lower, then they would not be able to do that part of the project.

Chair Bear stated that he heard staff say that if they did that, and if there was not the mandated option to exercise the purchase, then it would not be a public facility and it would not be public infrastructure, so Triumph couldn't pay for the private improvements, and if it does not get approved, they can't utilize the building.

Mrs. Weiss asked Randy Lewis for more input on the market on the architectural side - if this is in line with what costs he has seen.

Mr. Lewis opined that warehouses typically do not make good schools. The expense to convert or renovate metal buildings does not make them appropriate educational facilities. He asked whether the district had surveys performed checking for asbestos and lead, for example.

Mr. Harrell replied that, indeed, there will be a lot of renovations needed in those buildings to bring them up to not only Florida building code, but also to the State Requirements for Educational Facilities (SREF) code. It will be costly, but that is what is required for the educational facilities.

Mr. Lewis asked when the warehouse was constructed. Mr. Zimmern stated that he believes it is 7 or 8 years old, but he will need to confirm. Mr. Harrell believes it is older than that, as he is familiar with the area. The building has a metal roof - with spray foam insulation. It does have some batted insulation in the walls, but it is going to have to be significantly upgraded.

Ms. Skelton explained, to Mrs. Weiss' point, she and Ms. Henderson have talked extensively about what is going to be entailed in the renovation and the fact that Mr. Lewis is going to have to be given the information to review every step of the way prior to any expenditures that Triumph would pay for. They are very cognizant of the fact that the renovation number seems high, and it sounds to her like it was a SWAG number, but they are familiar with the fact that this

is something that we are going to have to watch closely throughout the whole process if the Board decides to go forward.

Ms. Henderson asked if the district could provide a sort of baseline budget, should the Board approve this project. She asked whether they could provide a more detailed renovation budget to track the cost.

Mr. Randy Lewis explained that metal buildings get air leaks which are very hard to control, and to construct a new metal building is very economical. Some counties provide education facilities using pre-engineered metal buildings. He is not a proponent of it, but there are a lot of issues with trying to convert an old metal building to a school.

Mr. Humphreys asked if they would prefer to revisit the idea of building a new building on school-owned land rather than improving this old building with all kinds of issues.

Ms. Hines replied that they would build a brand-new building if it was approved and if they could find a spot at a school, but they would have to discuss at what school and where that would be. She stated that Milton High School is not far from this center, but it is built out and there is nowhere on that property to build. They do have a little more flexibility in the south end, but that is not going to meet the same needs as where they are located right now.

Chair Bear then asked, with all the discussion going on, how the district would prefer Triumph move forward. Would they prefer the Board vote on this application as presented; or would they prefer to put this on hold, go back and do some due diligence on looking for potential real estate, and get some estimates on construction costs that have come back, together working with staff to talk about it and then come back to Triumph at a future meeting?

Mr. Harrell explained that from a contractual standpoint – the district's Board will be meeting tomorrow and making decisions based on whether the option contract is approved or denied. He suggested that the Triumph Board go ahead and vote on it. If the Board votes against it, they will come back later. He also noted that, as far as the architectural numbers go, he has not even engaged with their architects who are on a continuing contract. They have three different architectural firms and by statute, if this project exceeds \$4 million, then Mr. Harrell must go out for an architectural selection. He does not believe the project would exceed \$4 million, so he could likely choose one of those firms and then they could start that process of then getting those firmer numbers. He reiterated that these current numbers are estimates, and they feel comfortable that they should not be exceeded. Mr. Harrell reiterated that he would suggest the Board act today and then the district will make their decisions on how to proceed based on Triumph Board's decision.

Chair Bear asked if there was anyone from the general public that would like to speak to the item.

Prior to public discussion, Ms. Skelton reminded the Board that they have talked about the construction side of the project, but she thinks they need to refocus again on what the purpose of the project is – the certifications – and to recall the high number of certifications that the project is bringing

Chair Bear requested that Dr. Rick Harper address Ms. Skelton's point.

Dr. Harper responded, noting that proposal anticipates 9,788 certificates, and given the projected overall cost commitment that Triumph would make, that would come in at \$919 per certification, which is just about the lowest cost per cert that the Board has considered, so it yields a very high return on investment approaching \$91 per Triumph dollar invested.

Mr. Henderson then voiced his concern about the proposed retrofit. Can it be done? Does it cost more? Who is that on?

Mr. Remington answered yes, if they are unable to do it for the budget, they would either have to contribute more capital to get it done, or if they do not have the capital, and do not have another resource they could come back to the Triumph Board for additional funding. If they came back for additional funding, then it would go back into the calculation and determine the cost per cert.

Mr. Shannon Ogletree, Santa Rosa County Economic Development Director, said there is very limited space in Santa Rosa County and from the previous four projects Triumph has funded through the Economic Development Agency, the county is building out capacity as fast as possible for their industrial parks. Next month, they are bringing forth another project to help add additional economic development space into the area, but in terms of available buildings - this is probably the last one. He said he showed two properties to the school district - one was purchased almost immediately off Garcon Point Rd, just west of Love's in Santa Rosa County and this was the only remaining one. It is only a few miles from Milton High School, but also just a few miles from Pace High School so this is a good central location and students from all high schools will be visiting this location. In terms of timing of retrofitting versus building something new, that they will be able to get the students up and trained quicker than if they just built something new. Mr. Ogletree said he understands the cost, but if they want to see the students start training quicker, this is the thing to do. One alternative would be to continue to ask the building owner for a better deal.

Mr. Henderson inquired whether there is a way to do this project with portables until they can get a new building completed?

Mr. Harrell stated that based on the programs he has seen them looking at doing - everything from drones and robotics - a portable building would not provide the space needed to do those types of activities - the free ranging and the moving. Their design, internally, will be based upon what types of programs they are looking at doing.

Ms. Hines said they would have to retrofit a portable after buying it because they do not have portables available, so that would just be additional cost to the project. Could they make it happen? Yes, but is it going to cost more money? Yes.

Mr. Harrell explained that for portables, the school district does lease some, and they are around \$1,400 on the state contract that they utilize. Typically, once they put in the fire alarm systems, the plumbing, any electrical work done through the permitting process, covered awnings, handicap accessible walkways, the cost, just for infrastructure, is around \$25,000 per portable. Then there is an additional cost of \$1,400 - \$1,800 a month in rent for that portable.

Ms. Hines noted that the reason they like this central location is so that all their schools can attend - elementary, middle, and high schools - during the day, in the afternoon and in the evening so if they were going to run this out of the high school instead, other things would have

to change about the project. This is going to be a separate place, strictly for students to be able to have place-based learning and industry certification learning opportunities, separate from their home schools.

Chair Bear asked if anyone else from the public wished to be heard on the motion. No one else came forward. **The motion passed on roll call vote (4-3.) (Yes – Bear, Humphreys, Merrill, Trumbull; No – Corr, Henderson, Weiss)**

Mr. Remington then introduced **Proposed Term Sheet for Proposal #319 – Warrington Preparatory Academy – Rocketing to the Future Phase 1 – up to \$7,454,867**

The grant will provide partial funding for (i) building renovations to Warrington Preparatory Academy in Pensacola, Florida, to support hands-on activities for students and their families that will allow it to deliver at least 3,479 net new industry-recognized Florida Department of Education-approved Career Technical Education (CTE) credentials (“Certificates”), (ii) salaries and personnel costs, (iii) equipment costs, and (iv) curriculum and transportation costs, all as further described in Grantee’s Application for Funds submitted to Triumph.

There is a clawback provision in the agreement which includes the standard clawback provisions for materially false statements or breach of the agreement, and in addition, there is a pro rata clawback, in the event Grantee fails to award a cumulative total of at least 3,479 net new Certificates by December 31, 2034. Mr. Remington closed by stating that he would defer any other questions about the content of the application to the program administrator or the applicant.

Chair Bear invited Tracy Saxon, Charter Schools USA, and Steve Epstein, Warrington Prep Academy Head of School, to speak.

Ms. Saxon voiced her appreciation for the Board’s support. Following the last Triumph meeting, they held their Parent University. They are just continuing to build everything out at Warrington and appreciate Triumph's support. Ms. Saxon then concluded her by briefly introducing Mr. Steve Epstein, who is providing additional support for their leadership as they are moving these programs forward.

**Mr. Merrill made a motion to approve the Proposed Term Sheet 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 a roll call vote (7-0.)**

Mr. Remington introduced the next agenda item - **Proposed Third Amendment to Grant Award Agreement #187 – Northwest Florida State College – Walton Works Training Center of Excellence – NO ADDITIONAL FUNDING**

Mr. Remington explained that this is an Amendment that does not request any additional funding, rather it extends the period for performance by the Grantee and makes some budgetary changes that moves money between funding categories but does not require any additional new money.

Mr. Henderson asked Triumph Education Advisor Dr. Frank Fuller if Triumph is getting an update on which certs have been approved. Is Triumph heavy in one set of certs and not another?

Dr. Fuller explained there seems to be a growing need again for construction certs, and reminded the Board that when Triumph first started, they had a lot of requests for construction certs, and a lot of requests for welding, which temporarily died off, but now there seems to be a resurgence in those requests. So, there is an uptick in construction, IT is still strong, and AI is making phenomenal growth.

Ms. Henderson informed the Board that, this spring, she, and Ms. Baker hope to be able to present all the projects' data, so that the Board can see which certs they might be heavy or light in.

In conclusion of discussion on this project, Tanner McKnight, Vice President for Business Operations and Finance for Northwest Florida State College, introduced himself to the Board and asked if they had any questions. No questions were asked.

**Mr. Henderson made a motion to approve the Third 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 (7-0.)**

Mr. Remington then introduced the next item on the agenda - **Proposed First Amendment to Grant Award Agreement #210 – Gulf Coast State College – UAS Pilot Boot Camp for Exiting Military – NO ADDITIONAL FUNDING** This amendment would only revise and update the budget to reallocate grant funds among budget categories. There is no new funding requested.

Ms. Henderson mentioned that this amendment is reallocating the Matching Funds, and this would be the final request for the funds from the applicant. The applicant has reported more than enough certificates, and this would be their final request for funds. Triumph could close out the project at the beginning of the year.

**Mr. Henderson made a motion to approve the 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 (7-0.)**

Mr. Remington then introduced the **Proposed Second Amendment to Grant Award Agreement #233 – IHMC Center for Human Healthspan – Resilience and Performance - \$7,898,237.** This agreement is between Triumph Gulf Coast and the Florida Institute for Human and Machine Cognition. There are some additional funding requests in this amendment, increasing the grant funds by \$7,898,237, taking the total grant amount from \$11,968,119 to \$19,866,356. It also increases the total Matching Funds by \$22,798,886 from \$66,949,677, to a total of \$89,748,563. The total increase to the project is \$30,697,123.

Increased funding provides for a new budget, quarterly reporting on construction progress, disbursements for construction cost on a basis more frequently than quarterly, and it modifies competitive bid and contract approval provisions to allow for the construction to proceed more quickly and subject to government security clearances.

Chair Bear then introduced Dr. Ken Ford, Founder and Chief Executive Officer of IHMC.

Prior to the start of Dr. Ford's presentation, Ms. Skelton asked the Board to take note of the updated Economic Score Sheet in their packets. Since the amendment does include additional funding, Dr. Harper has rescored the project, and it remains an "A."

Chair Bear asked if the Board had any questions for Dr. Ford.

Mr. Corr inquired about the size of the (Sensitive Compartmental Information Facility (SCIF), and Dr. Ford replied that it would be approximately 4,000 square feet and will cost about \$1,000 per square foot to build.

Chair Bear asked Dr. Ford if he would provide an outline of the process to build a SCIF.

Dr. Ford explained that the government needs to first ascertain that you have a requirement for it, for the work that you are doing for them, so there is a whole paper trail with the federal government, and this then allows you to build the SCIF, but it has to be built according to the government requirements, and the IHMC will build theirs to what is called the National Reconnaissance Office Requirement, so this would be a very secure SCIF and it will be available to other groups that need to use it, provided that they have the right clearances and the right access. Chair Bear then asked if the SCIF would be contained within a larger envelope and Dr. Ford replied in the affirmative.

To help the audience have a better understanding of a SCIF, Ms. Skelton described it as a secured conference area where the IHMC can talk directly with Department of Defense and others, and that only those with certain clearances are allowed inside.

Next, Chair Bear introduced Dr. Pam Dana, Chief External Affairs Officer at IHMC.

Dr. Dana began by thanking the Triumph Board for all the work they are doing to transform the region and expressed her appreciation for the staff that have been working so closely with IHMC on the original proposal and various modifications.

Dr. Dana further explained that the activity that takes place within a SCIF is top-secret. Oftentimes the government will not issue grant awards for research projects unless a SCIF is present, and in the case of the IHMC, and in some of the defense contractor work in industries and businesses in town, and even academia, if that SCIF is not present here, then the research may go to Washington DC, Virginia or IHMC, as an organization, must travel elsewhere to have conversations for top-level research collaborations. Dr. Dana stated that having a SCIF in this town and region is important so that they can draw partners here rather than go elsewhere. Dr. Dana closed by encouraging Dr. Rick Harper and other Board members familiar with SCIFs to speak to the importance of SCIFs and what they encompass.

Dr. Harper said that it bodes well for the SCIF project that the current local architect team, DAG, has the necessary security clearances to do SCIF design; and the current contractor that IHMC's working with, Brasfield & Gorrie, has the plan and experience to build this out. He reminded the Board that as they review this proposed match and the dollar values, this project remains unchanged from the previous one, with roughly the same rate of return in terms of additional household income per dollar of Triumph expenditure, thus, staff scores it as an "A."

**Mr. Merrill made a motion to approve the Second Amendment to the Grant Award Agreement and Mr. Reynolds seconded the motion.**

Chair Bear asked if anyone from the public wished to be heard on the proposal.



Mr. Scott Luth, Vice President of Economic Development and Capital Programs for Space Florida, noted that Space Florida has been a partner with IHMC and commented that the growth of what IHMC has done in the region and across the state, and their request to build an asset like a SCIF continues to add to the overall inventory of assets that they have statewide. Space Florida would encourage Triumph's positive support of this project, and they look forward to it.

Chair Bear asked if there were any further questions or comments from the public on the proposal. No one else came forward to speak. **The motion passed unanimously on a roll call vote (7-0.)**

Mr. Remington introduced the final agenda item for the legal report – **Proposed First Amendment to Grant Award Agreement #264 – Wakulla School District – War Eagle Career Academy – NO ADDITIONAL FUNDING**

There is no new funding requested for this project, but the funding distribution method will be changed. Instead of reimbursing the school district for costs, Triumph would be funding disbursements to the school board and the school board would turn around and make the disbursements.

Ms. Henderson explained that the change would be an option for the school district only to be used directly for construction. This is a construction project that is ahead of schedule, and Wakulla School District is one of Triumph's smaller county school districts, so they have less availability in their budget to pay for things, such as steel when it arrives early and comes in with an \$800,000 invoice. Triumph wants them to be able to accept the building materials and supplies early.

**Mrs. Weiss made a motion to approve the 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. **The motion passed unanimously on a roll call vote (7-0.)**

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

Ms. Henderson said that her formal report would be focused on the Annual Report submitted by Grantees, as required by the Triumph statute. She reminded the Board that there is a requirement in the statute for the Board to vote to continue, change, or not continue funding for each of the grants. Ms. Henderson explained that staff likes to categorize grants in three phases. Some of the original Triumph grants are six years old and they are concluding; then there is a large portfolio of grants that are in the "messy middle" with a lot of amendments because the projects are new and they are doing new and different things; finally, with future grantees, they use a lot of lessons learned by past grantees and encourage grantees to partner with each other and learn from each other. There is a lot of mentorship and sharing going on, and staff is excited about that. The flexibility of Triumph really allows the education and workforce projects to institutionalize these new programs and allows for the programs to be updated over time, which is a huge benefit for students in the workforce in the region. The flexibility also allows for additional collaboration between regional partners, and that is a trend that they are excited to see is really growing.

Prior to Ms. Henderson's formal report, Ms. Skelton encouraged Board members to read the summaries of projects in their packets and feel good about the work that Triumph is doing, making progress across the Panhandle.

Ms. Henderson also briefly mentioned that she, Dr. Harper, and Mrs. Weiss met with Franklin County and their team with the Apalachicola Airport, along with economic development partners: Space Florida, Florida's Great Northwest, Opportunity Florida, FDOT, and Duke Energy. They all got together to talk about what, as an economic development team, they could each do for the airport.

Mrs. Weiss recounted that it was a great group of people who had synergy and a common goal to find ways to secure funding to help the Franklin County Airport. She felt it was a very productive meeting, and they hope to continue to have meetings like that across the region where it is helpful.

Before Ms. Henderson's formal report, Chair Bear requested to allow Okaloosa County Board of County Commissioner, Chairman Trey Goodwin, to speak because he had to leave to attend another meeting.

Mr. Goodwin thanked the Chair and apologized for interrupting Ms. Henderson's report. He stated that he wanted to take the opportunity on behalf of the Okaloosa BOCC to express deep appreciation for Triumph's work and partnerships. Today his team, including Nathan Sparks, Executive Director of One Okaloosa Economic Development Council, and subject matter expert, is here to speak about Project Sound. He asked that the Triumph Board consider this good opportunity with this project. It is one that really hits on all fours as far as the vision for how they build Okaloosa County and its economic future. The target with the highly skilled workers that will be filling jobs created through this project is exactly the kind of thing they are looking for. These are the kind of jobs that pay salaries, that help people support their families with good lives and send their kids to college. That is exactly what they are trying to build for the future of Okaloosa County. It will be on land Okaloosa County already owns, strategically located next to their investment in the Bob Sykes Airport, so its location is significant. The impact to the local job market is significant, and it is exactly the right kind of thing and the type of project that Okaloosa County is here embracing. Mr. Goodwin concluded his statements and thanked the Board for recognizing him out of order.

Ms. Henderson commented that Project Sound is one of those examples of where counties are seeing their education institutions and economic developers really collaborate on developing projects.

Ms. Henderson then proceeded to give her formal report. As of Tuesday, December 5, 2023, Triumph Gulf Coast had received 327 Pre-Applications totaling over \$2.7 billion in requests. Triumph staff recommend that pre-applications 326, 327, 328 and 329 are recommended as statutorily eligible. However, they would like to note that Project 329, City of Niceville, NWFL Aquatic Sports and Training Center, while technically eligible, based on the information provided and known about the project, the staff does not feel that it is going to result in an ROI and an economic analysis we would recommend bringing to the Board, so we just want to be upfront about those expectations.

As of Tuesday, December 5th, Triumph had received 133 applications totaling over \$1.2 billion in requests. Ms. Henderson noted a few items of interest that the Board will find in their packets

including Triumph Construction Advisor, Mr. Randy Lewis' recent reviews, and a status update by Triumph staff in which we recommend unencumbering funds from projects where their budget activities are complete, so that those funds will become available for future projects.

### **Annual Project Report Review**

Ms. Henderson then highlighted several the 58 annual reviews and noted that Florida Statute 288.8016 requires that Triumph monitor, review, and annually evaluate awardees and their projects or programs to determine whether an award should be continued, terminated, reduced, or increased.

Ms. Henderson mentioned that Triumph staff recommended to continue all the projects on the list except for the last one, which cannot be completed as proposed, so staff recommends it be terminated.

Ms. Henderson then provided summaries of the following projects:

**Project 29 - Wakulla School Board, Career and Technical Education.** This project will be closed out in the coming weeks. It was the first time that Triumph, at Dr. Fuller's recommendation, brought a recommendation to push digital tools down into 4th and 5th grade. Not knowing what they would do, their metric was a little over 400 certs, but there's been over 1,000 certs achieved by these students, and it sets the stage to move digital tools into many other Triumph counties. The initiative is being picked up statewide as well based on this accomplishment.

**Project 43 - Okaloosa County, U.S. Highway 90 Water & Sewer Extension.** This project was Triumph's first spec infrastructure, and Central Moloney has announced 350 jobs at that site for Triumph's \$1.5 million investment, so that was a great return.

**Project 48 - Wakulla County Emergency Communication System.** Staff has seen a lot of activity with the towers under construction. Wakulla County is very appreciative and excited about the project, and it is underway and on time.

**Project 49 - Port Panama City, Eastern Terminal Expansion.** This was Triumph's first grant with the Port of Panama City. It is also complete. Those are some dollars that staff has requested to be the unencumbered. Dr. Harper's final review is upcoming, but based on information provided, they know they have met their metrics.

**Project 72 - Santa Rosa County, Whiting Aviation Park.** This was another early project and Leonardo Helicopter has announced the job creation at Whiting Aviation which will complete that project's metrics.

**Project 191 - Franklin County, Apalachicola Airport.** This was the first of Triumph's disaster response grants and they were very thankful for Triumph's investment and help to make their airport available for disaster response. During Hurricane Michael, this was the only airport open for several days and it was a huge staging area and benefit for the region.

**Project 207 - Gulf Coast State College Gulf/Franklin Campus, Nursing Simulation.** For a while, because of COVID and the newness of the project, the program had some challenges, but over time, they have really invested a lot of energy into recruitment, and they now appear to be ahead of schedule. Staff is proud of the achievement they've made there.

**Project 213 - Florida's Great Northwest, Education Research and Marketing Grant.** As we talk about some of these projects that are being won such as Central Moloney which has announced two projects in the region - this is an example of the work that Florida's Great Northwest does. They also support all the economic development entities and the marketing material that you funded through them is used around the world to recruit companies and we are obviously getting a great amount of feedback and starting to win projects in those targeted industries that the marketing is focused on.

**Project 244 - Bay District Schools, Thunderbird Tech Program.** This is the elementary school at Tyndall, and this is one of those newer programs. They did a small test project this summer for 4th and 5th graders, and it touches on a lot of different things from small drones to a little bit of robotics and a variety of different activities that will result in certificates. When they tested it out this summer to see what the parents and students thought, they had such great feedback and interest that, instead of having two classes, they are going to have three, and Bay District Schools is going to pay for that third instructor to meet the demand of the parents and students, so staff is keeping an eye on that project as one Triumph can continue to support over time.

**Project 258 - Bay County, Project Lightning Strike/Central Moloney.** is the original Central Moloney project in which transformers are already coming off the line, so that is an example of a job creation project where the product is already being produced. The grant was awarded in February 2022, and we are now at the end of 2023 with line jobs created.

**259 Pensacola-Escambia PEDC, Project Pioneer.** Right here in Pensacola you have project Pioneer Pegasus Lab. Again, that award was granted in early February 2022, and we are now in 2023, and they have already hired 33 of the 63 jobs already, and so that is another success in hiring of jobs.

**265 Florida State University - Panama City, FSU Panama City Collegiate Lab School** This was one of those brand-new projects where nobody really knew what to expect. Everybody had high expectations and the school totally met those expectations. They have a full class of 9th graders. They had 350 applications and 90 students within the first 9th grade class, and they expect to have full classes every year going forward. Feedback from the parents and students is fantastic.

**Project 273 - Bay County, Project Cast/Mocama Marine** This was another job creation project, and it was executed a year ago in September of 2022. They have already hired 27 of the 105 jobs, so this is another job creation project that is on track.

Following Ms. Henderson's summary of reports, Ms. Skelton explained to the Board that the full size of the complete annual report packet is several hundred pages; and that all reports are posted online at <https://www.myfloridatriumph.com/wp-content/uploads/2023/12/Combined-Grantee-Reports-122023.pdf>

Mr. Henderson then thanked the Staff for a job well done. He stated that it is great to see everything in action, especially the large quantity of certifications they've been able to accrue.

Frank Fuller noted the community college enrollments are up, which contrasts with the rest of the state where they are not up. Universities are being focused, which they already had, but we have added more components to it. We have the FSU project that is coming into Panama City

and the work the University of West Florida is doing. There has been a great deal of discussion about certs, but the overall impact has been in all domains, including just straight workforce training has been elevated because of the work Triumph is doing in the region. He said right now the region of Northwest Florida is probably the most intense region in the country where we could specify what kind of training we have done in certs for Adobe. If they had to talk to a company right now, they could almost tell them that they have 470 people actively involved in pursuing this training that they view is important for the company. Finally, Dr. Fuller noted that all the Triumph funded programs are on different clocks because each of their systems are on different clocks. What would work with some districts, may not work for others. For example, Okaloosa was already prewired to generate certs at a certain pace, but in other districts it is a slower process. Triumph has become part of the discussion about how Grantees restructure their organizations to meet the region's workforce needs.

Ms. Henderson communicated that the staff is working diligently to properly account for these tens of thousands of certs, and that Ms. Therese Baker, Administrative Specialist, has contributed considerable time to the effort. They are reviewing certs school-by-school and project-by-project because there are so many and hope to have a measurement process in place when the new person recently approved by the Board starts working for Triumph. This Spring, they hope to have all that data available in a visual format for the Board; and like Dr. Fuller said, they should be able to sort it so that he and Dr. Harper can show which person is doing what type of cert, or how many certs have been earned. They cannot necessarily tell how many of any particular cert will be earned because they do not know the number to be enrolled in every class until they are enrolled, but they will be able to show what certs were earned after the fact, so they do not overdo in one area.

In closing, Ms. Henderson addressed the termination of **Project 190, Walton County, the Highway 331 Water and Sewer project**. She explained that this is the first time that the staff recommends a project be terminated. This project was for the Woodlawn Industrial Park, and their metric was to create 100 jobs in the targeted industries at the wages that were agreed to. Unfortunately, the acreage left available at the park will not be enough to meet the hundred job target. The county has not asked for reimbursement of the funds, so Triumph does not have a situation where they must remit the funds. The county has requested to terminate the project, without affecting the funds.

Mr. Henderson explained that there is a new regime in Walton County, and the good news is that when they brought the sewer line out it really spurred a lot of economic activity on 331, and there is a lot of demand for that. The bad news is that the execution was bad. They did not create the jobs from the beginning, so it has been a disaster from the beginning. Fortunately, there is no money that Triumph must claw back.

**Mr. Henderson made a motion to approve the Program Administrator's Report. The motion was seconded by Mr. Merrill and passed without objection.** Chair Bear asked if anyone from the public wished to be heard on the report. No one came forward to speak. **The motion passed unanimously on roll call vote (7-0.)**

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

Dr. Rick Harper began his report by introducing **Recommendation on Proposal #322 – Okaloosa County BOCC – Project Sound – up to \$6,000,000**. The Okaloosa BOCC is applying for up to \$6,000,000 to construct a publicly owned, custom-built facility of

approximately 40,000 square feet. At least 140 high-wage jobs would be created by 2034, paying an average salary of at least \$90k per job, an average of 173 percent of the 2023 EFI-specified average wage for the two-county metro area and will also offer an attractive benefits package. Location of the facility in Okaloosa County will establish a sector engaged in high-volume manufacturing of advanced systems components for defense platforms supporting the U.S. Navy deterrence capacity (Project Sound).

The Triumph request of \$6 million represents 35.2 percent of the \$17.028 million total project cost (this figure excludes facility lease fees to be paid by the company), with the company contributing \$10.05 million in match for design, construction, and equipment. The University of West Florida Industry Resilience and Diversification Fund (IRDF) will provide \$1.05 million in support of the project. The high-wage jobs that will be created will include areas such as engineering, software, and Research and Development.

For a job guarantee of 140 jobs and an award amount of \$6,000,000, the cost per direct job to Triumph Gulf Coast is \$42,857. It is expected that the increment to personal income in the region attributable to the project will be as much as \$187.5 million over a 10-year job maintenance period following implementation of the “crawl, walk, run” growth path and associated employment ramp-up. This represents \$31.2 in additional personal income per Triumph Gulf Coast dollar requested.

Dr. Harper concluded by saying that, for these reasons, staff score this program as a “A.”

Chair Bear then welcomed Nathan Sparks, Executive Director of ONE Okaloosa Economic Development Council. Mr. Sparks commented that it was great to be back in front of Triumph with a very exciting project. It is one they have been in contact with since summer 2022. Okaloosa County started as one of dozens of communities that were under consideration in five different states, and Mr. Sparks announced that they are now a finalist for this exciting opportunity. Mr. Sparks thanked the Board for allowing the BOCC Chairman to speak out of order on the agenda and commented that he articulated quite well the vision that they have been casting with respect to growing high-wage jobs in their community and aligning those with their educational partners. He was heartened to hear Ms. Henderson's report acknowledging how more projects are coming forward in tandem with workforce development, joined at the hip, in terms of job creation and workforce development. It is always nice when you have a company that understands the good work that Triumph has been investing in, and appreciates it, and essentially says that they are interested in your area because of all those investments.

Mr. Sparks stated that his company envisions a crawl, walk, run approach. They essentially want to scale in a measured way and then over-deliver, and that is always exciting as opposed to the reverse. So essentially what they'll be proposing if they choose our area is to lease a facility, and grow their business, and essentially in three years' time, have a new facility, with Triumph's support, that they would be able to move into, that would be publicly owned and supported by other partnerships including Space Florida. They have survived the location cuts and now are at the point where the company has said they are ready for best and final offers. They are very excited about this opportunity to potentially partner with Triumph. They have had prior meetings with Triumph staff. Dr. Harper participated in their site visit with the company in August. They went from a distant third place in that discussion, at the start, to being the leader in the clubhouse, and they said it was really because of the alignment that the Board spoke to, having Triumph Gulf Coast, UWF and all their various partners, including Okaloosa Technical

College, all singing from the same sheet of music and all working for the greater good. Mr. Sparks thanked Triumph for the opportunity and asked if he could answer any questions.

Seeing no questions, upon the conclusion of Mr. Sparks' remarks, Chair Bear stated that a motion would be to direct staff and Council to proceed to term sheet negotiations with the County Board of County Commissioners for Proposal 322 Project Sound for \$6 million.

**Mr. Henderson made a motion to direct staff to move to term sheet negotiations. The motion was seconded by Mr. Humphreys.** Chair Bear asked if anyone from the public wished to be heard on the report. No one came forward to speak. **The motion passed unanimously on roll call vote (7-0.)**

Next, Dr. Harper introduced **Recommendation on Proposal #326 – Okaloosa County School District – Okaloosa Technical College North Campus – up to \$8,350,000.**

Okaloosa County District Schools (OCSD) requests a Triumph award of up to \$7,850,000 to acquire and improve a centrally located building that will provide classrooms, hands-on labs, and training locations, as well as supplies, materials, equipment, curriculum, and certification fees for up to seven years.

Okaloosa Technical College North (OTC North) will provide programs in Advanced Manufacturing and Production, Welding, Electronic Systems, Automotive Service, Plumbing, and Applied Cybersecurity for high school students. Dual enrollment for college credit and collaboration with business and industry will help provide a skilled and job-ready workforce. With a guarantee of 2,904 certifications, the cost per cert to Triumph is \$2,703.

Matching funds of up to \$11,820,040 will be provided and expended on CTE activities at the facility. Items funded via match include resource officers, five teachers (with fringe benefits), administrative and support staff, facility operations, and equipment, supplies, lab fees, and technology resources.

It is proposed that Triumph would fund up to (but not more than) the current appraised value of an existing building adjacent to the Bob Sykes Airport three miles northeast of Crestview to serve as the new North Campus. Up to \$3 million in Triumph funding is budgeted to be provided on an if-needed basis for renovation of the building. OCSD is actively seeking to supplement this grant and will seek partnerships with local businesses and organizations, including legislative and other funding, to provide additional support. OCSD anticipates this project to be self-sustaining upon completion of the grant period. Triumph staff recognizes the excellent efforts by the OCSD team to provide cost-effective implementation and administration solutions to meet the needs of students across the District for CTE credentials. At a reimbursement rate of \$2,703 per certification, the discounted total increase in household incomes expected from the program will be \$30.9 per dollar of Triumph cost, which is attractive relative to other Triumph awards made to date. For these reasons, staff rates this program "A" in terms of economic impact.

Chair Bear asked if there was anyone from the Okaloosa School District that would like to speak.

Mr. John Williams, Director of Okaloosa Technical College, introduced himself as a representative on behalf of Okaloosa County Schools. He thanked the Board for considering the project and stated that they are glad to have the opportunity and are proud of the connections

they have made with their partners on behalf of their prospective students. Speaking about this project, the word synergy comes to mind, because it has involved so many different partners coming together. So much of the project also dovetails well with the many upcoming opportunities for support from other grants, most notably those for expansion of programs under the Florida Department of Education. So again, they do plan to seek those out and to prop up the rest of the project. They hope the Triumph Board sees how much coordination has been happening and occurring, as it should with education and industry.

Mr. Williams noted that they will be in the building with their partners and learning from them and being guided by them in terms of how to make their program meet exactly their needs for employment. That is their goal. They are thrilled for the chance to be so close to those partners and are certainly proud of the project.

In conclusion, Mr. Williams stated that he would be happy to answer any questions. Mr. Henderson asked for clarification of the correct proposed budget number as there were two numbers on the sheet – one says \$8,350,000 and another says \$7,850,000. Dr. Harper stated that he believes the \$8.35 million is the correct number. Ms. Henderson explained that the discrepancy was due to the wait for the appraisals and some ideas on discussions related to that. She apologized for the inclusion of the two different numbers. Mr. Williams confirmed that the correct anticipated spend would be up to \$8.35 million.

Ms. Skelton asked Dr. Harper if he could talk a little bit about the appraisals and the process that they went through this past week. Dr. Harper said that the asking price for this building is \$4 million. It is listed for sale, and the first thing that staff did, in talking with the district, was to request current commercial appraisals, and those appraisals just came in earlier this week. If Dr. Harper recalls correctly, they averaged those values at around \$3.8 million. **Mr. Williams** interjected that he thinks it was \$3.7 million – one at \$3.5 million and the other at \$3.9 million. Dr. Harper continued saying that with their discussions with One Okaloosa and with the school district, they understand that this is well within the realm of possibility for the seller.

Mr. Henderson asked whether they are talking about the same type of renovation issue as seen with Santa Rosa School District? He also asked what the building is like and whether it is metal.

Dr. Harper replied that it was constructed in 1987 and has most recently been a call center. From the people who participated in the meeting, he understands it seems relatively modern and up to date, furnished currently with cubicles for call center operations. He would say that the building is in good shape, and so they were delighted to hear the appraisals come in where they did. Since it is so close to the asking price on the market, they do not anticipate problems with the seller of the property at the appraised value.

Mr. Henderson inquired about whether they are providing an inspection report, outlining any issues with mold, etc.

Dr. Harper replied that the condition of the building is considered by the users as they evaluate property, and he is not aware that there has been a specific inspection looking for defects or problems in the building.

Ms. Skelton recommended that completion of an inspection report might be something they will want to include on a term sheet. Mr. Henderson agreed that it would be a good idea.



Mr. Corr asked whether they are under contract, and Mr. Williams replied that they were not and confirmed that is why they haven't had an inspection. Mr. Corr inquired as to the square feet of the building, and Mr. Williams replied that it is approximately 40,038 square feet, but a portion of that would be rented out, so they would be occupying only 27,000 square feet.

April Branscomb, Program Director, Career and Technical Education at Okaloosa County School District, stepped in and assured the Board that the letter of intent will state that they do have the right for an inspection of the building prior to the purchase.

Ms. Henderson noted that with this "up to" number it will allow staff to work with the district so that when they make their final offer with the owner, and when they bring the term sheet they will have a more final number, they just won't go above what the Board votes on today.

Dr. Harper explained that staff anticipates the purchase price is largely set, given that the appraisals have come in very close to listed price by the seller. They do, however, expect to see some offsetting contributions that will greatly offset the Triumph renovation costs for the building, so purchase price is largely fixed while the renovation expense has yet to be determined.

Mr. Henderson asked whether Dr. Harper foresees any big hiccups that might raise the cost of the certs. Dr. Harper replied that this is a very competitively priced building. It is located adjacent to where the company eventually wants to be, and it is very desirable property. They are adjacent to the Bob Sykes Airfield, so it is an excellent prospect.

Mrs. Weiss mentioned that she read in the packet that some of the certs can go straight forward without having to do renovations, so the building is much more ready to start implementing than other buildings.

Mr. Williams replied that statement is correct and given what the task would be towards earning the certification, cybersecurity is closer to ready to go. It may not be able to happen while renovations are ongoing in the other areas, but as soon as those parts are done, they are ready to go without any cost of renovation.

Mr. Trumbull asked whether there is HVAC in the plans. Mr. Williams explained that they do have it at their South campus and that it is certainly something to be considered, but currently in the plans they do not have that included.

Ms. Skelton stated that this project is one where she and Ms. Henderson talked about where they are meshing with the project, and she thinks that the offerings for this project were sort of focused toward what Project Sound would need as far as their capabilities for the program. Project Sound needed a place where they could start their training base. She thinks they are sort of intermarried there. Chair Bear finished Ms. Skelton's thought by stating that these certs would be transferable certs but would greatly benefit Project Sound.

**Mr. Merrill made a motion to direct staff to move to term sheet negotiations. The motion was seconded by Mr. Corr and passed without objection.** Chair Bear asked if anyone from the public wished to be heard on the report. No one came forward to speak. **The motion passed unanimously on roll call vote (7-0.)**

#### **Public Comment**

Chair Bear asked if anyone from the public would like to speak about any items related to Triumph process, policies, and practices, and seeing no questions.

Mr. Merrill noticed that Craig Thomas, Chief Operating Officer & General Counsel at VISIT FLORIDA, was in the audience and asked if he would like to come up and speak about VISIT FLORIDA's recent Triumph Application for \$10.5 million of Triumph funding. Mr. Thomas approached the Board and introduced himself.

Mr. Thomas thanked the Board for the opportunity to speak and stated that this application has been a long time coming. He thinks it is a great project and looks forward to working with staff and getting it before the Board for their consideration.

### **Closing Remarks**

Mr. Corr began his closing remarks by explaining that there are certain things he is comfortable with - what they cost - buildings. He built a school; fitted out metal-built warehouse buildings; or rebuilt them and repurposed them. He is comfortable with those things. For other things, he is not familiar with what they cost -for example, a SCIF. He owned one but had no idea what it cost to build. He does not know how they get comfortable with some of these things. He understands that once staff receives a request for reimbursement, they vet the cost and do a reasonable check after the fact, but he wishes there was a way that they could do it on the front end. He does not want to see the Board waste money. He commented that it is a very slippery slope, and it could easily happen. He does not know a better way to do it.

Dr. Harper agreed with Mr. Corr's comments. He believes that the robust discussion today gives staff the tools to work with applicants early in the application process. It encourages them to go to applicants and recount the history of proposals that come before the Triumph Board and to insist that that level of detail be provided, that staff be brought in very early in the process, and we always close by telling applicants that it is a collaborative process and nobody wants to get the money out the door more than this Triumph Board, but the Triumph Board will refuse to spend as a kind of deep pocket donor to an overpriced project, and the discussion today is something we can point directly to and use it to the benefit of the proposals that come before the Board.

Ms. Skelton also addressed Mr. Corr's point by stating that Mr. Corr is an expert in telecommunications and towers and those types of things, and they have had a conversation and are reaching out and trying to get in touch with Department Management Services at the state level so that they can identify a communications expert third party who can review the requests that come in, so that they are sure they are not buying whatever the radio company says is the greatest, newest thing, but instead are actually finding what the community needs. They are working on getting that contact in place so that they will have a third party who can review the requests that come in so that Mr. Corr does not bear that burden on his shoulders alone.

Mr. Henderson agreed that it would be a good practice for anything that is kind of out of the box or complicated. If Triumph could hire someone, like an expert, to give them a level of comfort it would be helpful, because they want all these projects to get approved, but they also want to make sure, like Mr. Corr said, that the money is not being wasted and that it is going to be a good building that will stay there for a long period of time so. Ms. Skelton noted that the hard

part of that equation is finding the expert, so that is what they are working on now, to try to find that person.

Mrs. Weiss expressed her appreciation for the staff coordinating the meetings that they had with Franklin County, and she looks forward to other meetings where she can sit in and help if possible. She wished everyone a happy holiday.

Mr. Henderson said Happy Holidays!

Mr. Humphreys opined that it was a good meeting. The SCIF was new to him, but he enjoyed learning about it. He also likes project P.R.I.D.E. and understands if they are successful then it will bring down construction costs across the region and that will help the overall.

Mr. Trumbull said it was a great meeting. He expressed his enjoyment of the review of annual projects, and he is looking forward to looking back at them.

Ms. Skelton requested that everyone keep their calendar clear for the next meeting on February 5. The Board is planning to go back east towards Bay County for that meeting.

Chair Bear concluded by thanking everybody in attendance, and especially the Board and the staff for the robust conversation. He stated that these kind of conversations give staff some sort of direction on, at least, the spirit and intention of the Board for these projects and provide ideas about costs, etc. that they can use that in their discussions with these applicants. He thanked staff for their excellent reports and wished everyone Happy Holidays and a Happy New Year.

There being no further business, the meeting was adjourned at 12:56 p.m. CT.