

**Meeting Minutes
Triumph Gulf Coast, Inc.
Conference Call Meeting
1-877-309-2073
Access Code: 806-071-573
February 10, 2022
1:00 p.m. CT**

MEMBERS PRESENT:

David Bear
Allan Bense
Don Gaetz – Chair
Reynolds Henderson – Treasurer
Ben Lee
Collier Merrill – Vice Chair
Matt Terry

Chair Gaetz called the meeting to order at 1:00 p.m. CT
Executive Director Susan Skelton called the roll and announced that all members were present.
The December 16, 2021 Meeting Minutes were approved as distributed without objection.

Treasurer's Report

Mr. Reynolds Henderson, Treasurer, and Ms. Jennifer Davidson, CPA, presented the December 2021 Financial Report. **Mr. Henderson made a motion to approve the report. The motion was seconded by Mr. Allan Bense and approved without objection.**

Ms. Davidson then presented the proposed 2022 Operating Budget. **Mr. Henderson made a motion to approve the proposed budget. The motion was seconded by Mr. David Bear and approved without objection.**

Ms. Davidson then presented an amendment to Systems Documentation to allow for electronic payment of credit card bills. **Mr. Henderson made a motion to approve the amendment. Mr. Bense seconded the motion which was approved without objection.**

Staff Report

Ms. Skelton presented a brief legislative update and noted that the Reviser's Bill that placed the legislation passed last session to remove the sunset provision on the Triumph Gulf Coast Trust Fund in the Department of Economic Opportunity had passed both houses of the legislature. She said that staff continues to monitor committee and floor activity in the House and Senate.

Ms. Skelton said that staff continues to work with the Auditor General's Office in completing requests for information. She has spoken with Auditor General staff and notes that they are continuing to face staffing issues that are affecting the progress of this year's audit, but that she was assured that our team is responding to all inquiries as requested in a timely manner. There is currently no estimate on when the audit will be completed.

Chair Gaetz asked Ms. Skelton to give an update on meetings held in response to the letters sent by Triumph Gulf Coast to Franklin, Wakulla, and Walton Counties to offer assistance. Ms. Skelton reported that staff has had productive meetings with the Mayor and City Manager of Apalachicola, the County Administrator of Wakulla County, and the Chair of the Board of County Commissioners, along with the City of DeFuniak Springs attorney and the county grants manager in Walton County. She said that staff looks forward to meeting soon with the Chair of the Franklin County Commission. She said while each of the meetings brought individual concerns and discussions of pathways to future success, all the meetings have raised the critical issue of housing affordability for their local workforces. Staff will continue to share helpful information with the groups as we learn of possible solutions through government programs.

Legal Report

Mr. Alan Manning, Legal Counsel, presented an overview of Grant Award Negotiations for Proposal #251 – Santa Rosa BOCC – Milton Interchange Park for \$15,378,683. He noted that the Grant Award Agreement has some unique features based on Term Sheet negotiations that were approved at the last board meeting. First, there is a mortgage that will be recorded against the property that's being purchased in favor of Triumph Gulf Coast that basically secures the clawback obligation. So, if the clawback obligation was not paid for some reason there's a mortgage in favor of Triumph. Second, there was a condition to any disbursements under the grant that Santa Rosa County Board of County Commissioners must specifically approve and adopt the resolution, acknowledging their obligations under this agreement, including the obligation to fund the first \$3 million in construction costs. The required resolution was adopted at the agenda meeting of the County Commission on day before yesterday and it is on the agenda for approval by the full County Commission later today. So, it appears that the condition will be satisfied sometime by the end of the day. Other than that, the grant award agreement is has been reviewed and approved, and legal counsel recommends approval. Mr. Shannon Ogletree, Economic Director for Santa Rosa County confirmed to the Board that the required resolution had been fully discussed and voted on at the County Commission meeting earlier in the day so that condition of the Grant Award Agreement had been met.

Mr. Ogletree noted that for the proposed industrial park, the county already has letters of intent for every parcel. He said he is having to turn people away and push them to other sites, because they are out of property already. He reported that for other parks, that Triumph has awarded projects to, Project "Oh Brother" has closed on three acres, and the county is working through the road construction design for the Santa Rosa Industrial Park East. He said he was on a call that morning with Leonardo, they are moving forward with design and working with Space Florida, for the facility at the Whiting Aviation Park which would not have even be possible without the first Triumph grant awarded to the county. Damian's ice cream is moving forward with the purchase of property at the IT and industrial park. He said that he continues to follow new leads with prospects coming to the area on a regular basis. He said development of the industrial parks would not have been possible without the Triumph grants and what Triumph is doing for Santa Rosa County is making a huge difference.

Chair Gaetz asked if any member of the public wished to comment on the proposed Grant Award Agreement. No one asked to speak. **Mr. Henderson made a motion to approve the Grant Award Agreement. The motion was seconded by Mr. Bear and passed unanimously on a roll call vote (7-0.)**

Mr. Manning then gave a review of Grant Award Negotiations for Proposal #259 – Pensacola Escambia Economic Development Council (PEDC) – Project Pioneer for \$2,500,000 to purchase a parcel of land in the Ellison Field Industrial Park. The grant award agreement is faithful to the term sheet that was approved at the last meeting and includes a contingency for approval of a lease between the grantee and Pegasus Laboratories and the terms of that lease are outlined in an exhibit to the grant award agreement. Under a term sheet existing between Pegasus and the PEDC, Triumph has the right to approve the final lease form.

Mr. Manning noted that after the grant award agreement was posted for this meeting during the 15-day required posting period, the grantee requested an additional one-year period to complete the project. Because we were inside of the statutorily required posting period that change could not be made to this grant award agreement. After discussions with staff and with the grantee it was decided to move forward with approval of this grant award agreement at this meeting and then at the next meeting in March, we will put forward an amendment that simply extends out that period by one year. That being said, this grant award agreement, is consistent with a term sheet that was approved, and legal staff recommended approval.

Chair Gaetz asked if the proposed one-year extension would affect the economic viability of the proposal. Ms. Cori Henderson, Program Administrator clarified that the extension is for the time for the capital investment, due to construction timelines and equipment delivery timelines, it will not affect the timeline for the project metrics. Dr. Rick Harper, Economic Advisor added that this is an excellent project for the region. The return on investment is relatively high for infrastructure projects, \$25 in expected, future family incomes for every dollar of Triumph Gulf Coast expenditure. The cost per job, at \$39,683, is very good. This is a highly desirable sector and represents, hopefully, a foothold, for more pharmaceutical manufacturing and perhaps research and development in our region. Mr. Manning clarified that the amendment would not be an additional year for the performance of the metrics. The amendment would address the requirement in the grant award agreement that they complete their renovation renovations of the project by a date certain, I believe it was December 31, 2025. Because of some of the construction delays and supply chain issues related to purchase of equipment there was just a concern that the originally proposed timeline might be too tight. Dr. Harper said that, over time, it might push out the time that jobs would be created but that it does not change the return on investment. He said that looking to the future at when these jobs are created, when they pay family incomes, then that means that we would achieve an additional year of guarantee. If the delay of the completion of the infrastructure project is by one year or so, it would not alter the return on investment, except in the most trivial way that we're looking at a net present value. The jobs are intended to be permanent, and it does not change the guarantee period for the jobs.

Chair Gaetz welcomed Mr. Scott Luth, Economic Development Director of FloridaWest, who thanked the Board for its willingness to consider this project. He said it had been a pleasure to work with staff in developing a project that has been creative in trying to meet the needs of the community.

Chair Gaetz asked if any member of the public wished to be heard on the proposed agreement. No one spoke. **Mr. Bense made a motion to approve the Grant Award Agreement. The motion was seconded by Mr. Henderson and passed unanimously on a roll call vote (7-0.)**

Chair Gaetz noted that the review of Term Sheet Negotiations for Proposal #258 – Bay Economic Development Alliance – Project Lightning Strike for \$7,000,000 will be temporarily postponed at the request of the applicant. The applicant is working through some issues and Triumph Gulf Coast looks forward to hearing from them at a future meeting.

Mr. Manning proceeded with an overview of Term Sheet Negotiations for Proposal #257 – Pensacola State College – Cyber Security and IT Programs Expansion for \$11,998,919 for construction, purchase of equipment, and other costs to support the grantee, cybersecurity, and IT programs. He said that the term sheet is consistent with the proposal that was approved at the last Board meeting and it's in a form that legal counsel recommends for approval.

Chair Gaetz recognized, Dr. Debbie Douma, representing Pensacola, State College. Dr. Douma explained that the funding will complete construction of the building which houses the cyber and IT programs. She highlighted the fact that the application focuses on the fact that the college is going through a process to embed all the certification exams as part of the required curriculum for the college level courses. She said that previously students were prepared to take those exams through coursework but weren't required to do it as part of the curriculum. The college is already well on the way to making the exams mandatory. The PSC Curriculum Council has approved everything, and they are working on reworking those curricula so that by fall, that will all be in place. With every single course that an individual takes in the IT and Cybersecurity program, at the end of that course, they will be earning in an industry recognized certification.

Chair Gaetz asked if the term sheet stipulates that all students will not only be exposed to the instruction but will sit for the examination for an industry certification. Mr. Manning said that it was not currently in the term sheet but could be added to the Grant Award Agreement. Chair Gaetz asked counsel to be sure that was included in the agreement. He said that while the college internally is making the policy decisions Triumph needs to make sure that the contract stipulates that they are getting the students to complete the course and to earn certification.

Dr. Harper explained the match funds provided by various state and local government sources for the project and pointed out that the Triumph Gulf Coast share of the total project is 27.9%. He noted that the term sheet is keyed to the number of certifications delivered and that the obligation is conditional upon attaining 6448 new certifications.

Chair Gaetz then asked if students will pay to take the national industry certification examination. Dr. Douma replied that those costs are going to be included within student lab fees, and whenever needed, the college will try to make resources that it has available, such as a Perkins scholarship, the Foundation Scholarship, and/or all the Pell Grant funding that they're possibly eligible for to help the students defray the costs that will be included as a lab fee attached to each course. Chair Gaetz asked Dr. Frank Fuller, Education Advisor, if the provisions of the proposal adequately addressed concerns about making sure that students who complete the coursework can afford to take the certification exam. Dr. Fuller said that the proposal does meet that objective since exam costs are built in as a part of the cost of taking the course. He said that if a student is enrolled in that course, that fee has been paid. When the student completes the course the certification examination is part of their final passing of the class. Dr. Douma reiterated that the exam cost is already paid, and that the college will work to assure that no students are kept from enrolling due to lack of tuition funding. She said that the

college's guidance and financial assistance offices will work with students who need financial assistance. Ms. Henderson pointed out that there is budget line item in the application that allows for funds to be utilized to offset those costs.

Mr. Henderson asked if the tuition assistance was available to all students or just to those who cannot afford to pay for the classes. Dr. Douma indicated that the college would only offer such assistance as was authorized in their Triumph budget to those students who needed tuition assistance, and not across the board to financially able students. The college office of financial assistance would be responsible for determining eligibility for such assistance. She noted that it is currently the case that qualified students who take certification exams may request and receive reimbursement for the cost if they meet assistance requirements. The application indicates that only 39 IT related certification requests for reimbursement were received last year. Since the college can't assure that all the students who completed the course actually took the exam that is the reason they are embedding those exams within the course, not something they go take when they are all done with the program. Mr. Henderson said that he wanted to commend Pensacola, State College, for taking this initiative and a clear move to integrate the market demand, which would be the indices served with coursework demands so that the students going through get the best of both with a college education and an industry certification.

Chair Gaetz asked if any member of the public wished to be heard on the Term Sheet. No one spoke. **Mr. Bense made a motion to direct staff and counsel to move to Grant Award negotiations with the applicant. The motion was seconded by Mr. Bear and passed unanimously (7-0.)**

Program Administration

Program Administrator's Report

Ms. Cori Henderson noted that there have been several job creation announcements and economic development opportunities across the region since the last board meeting. She referred to the announcements made earlier in the meeting by Mr. Ogletree regarding Santa Rosa industrial development parks, and said that Project Lightning Strike, an Arkansas based transformer manufacturer had announced expansion to Bay County. The City of Panama City and Eastern Shipbuilding celebrated the commissioning of the new aluminum fabrication building necessary for construction at the Coast Guard Cutters. She thanked Board member Ben Lee for attending on behalf of Triumph.

Ms. Henderson noted that staff will be presenting a new education project that has actually been in the works for years for the Wakulla County School District. The proposal is very similar to one that the district proposed early in the history of Triumph Gulf Coast. At that time, the Triumph Board wasn't ready for a project of this size that breaks multiple traditional CTE education boxes but following the enormous success of the School Board in executing Triumph's very first industry certification project, our staff is excited to bring the War Eagle Career Academy to you for your consideration this afternoon.

Prior to this start of the meeting today, Triumph Gulf Coast had 39 active projects for over \$286 million. As of the votes taken earlier in this meeting, there are now 41 active projects for over \$304 million in executed projects.

Triumph has received 267 pre applications, totaling over \$1.9 billion. Staff recommends the newest pre application is eligible. Triumph has received 108 applications for over \$785.7.

Ms. Henderson said that there has been a significant amount of construction activity with the existing infrastructure projects and with projects in the pipeline, as staff now reviews the construction costs much earlier in the process, since the construction industry has had such dramatic increases in cost. We want to make sure the Triumph project partners are aware of the realistic cost of their projects. Mr. Randy Lewis, Construction Management Advisor, works with each project from an early stage. His review work is reflected in the attached report.

Ms. Henderson included the required Annual Review of the Pensacola State College CDL Program in her report. She noted that she had inadvertently left it off her report at the December meeting but that the college had filed their report in a timely manner. She said that in approving the Program Administrator Report, the Board would also be approving the Annual Review of the PSC program and recommendation for continued funding of the project.

It would ask when you approve today's Program Administrator report that you also approve their annual report.

All applicants that have been determined not to meet the statutory requirements for Triumph Gulf Coast funding have received letters stating that fact and the reason(s) for failure to meet the requirements.

Chair Gaetz asked if there were any construction projects that are not meeting their timeframes, their metrics, or their budget requirements. Ms. Henderson replied that the only one that is behind is an expansion of the Franklin County ABC Charter School and said that she and Mr. Lewis have been working closely with the school district to try to resolve that situation. Chair Gaetz asked that at the next meeting a short presentation be made on what the problem is, how far off of the mark the project is, either in terms of time or money, and what the plan for a remedy is if there is such a plan.

Mr. Henderson made a motion to approve the Program Administrator's Report, including the Annual Review of the Pensacola State College CDL Program. The motion was seconded by Mr. Collier Merrill and passed without objection.

Economic Advisor's Report

Dr. Harper presented the staff recommendation to move forward with Proposal #264 – Wakulla County School District – War Eagle Career Academy for \$20,011,606. He explained that the proposal would allow the school district to make infrastructure improvements to develop the War Eagle Career Academy and will deliver, over the course of 12 years, 7450 net new CAPE list certifications with a particular focus on information technology and artificial intelligence. The cost to Triumph would be \$3686 per certificate. The match that will be provided by the school board and its partners is \$18.6 million including \$1 million in construction funding from the district, \$1.6 million from their federal Perkins funding for equipment, \$300,000 from the Department of Education to cover operations and maintenance for district structures, \$3 million from Florida CAPE bonus funding for expenses and delivering these certificates, \$12.1 million from new per student FTE funding from the FEF program, and \$830,000 provided by the school district to purchase certain certificate curricula and exams. This Triumph grant would be for a very innovative program, which would totally be constructed on campus and the Wakulla School

District will enter into a partnership with the Lively Technical College, so that all certificates will be delivered at the new facility, and supported by online resources as well, but instruction will be primarily face-to-face. It will integrate certificate attainment into the course map for high school graduation. Classes such as Microsoft tools will be pushed into earlier grades, and this will provide a pipeline from grade school through middle school and high school for certificate attainment. Doctor Fuller notes that these are appropriate course mappings and that it's an excellent model for attainment of career and technical education. The return on investment of the program will be \$31.1 of additional family income, discounted to present money value per dollar of triumph cost, and that is high relative to current programs in the Triumph Training and Education portfolio. For these reasons, staff rates this program as an "A" in terms of economic impact. Ms. Skelton noted that Lively Technical College serves both Wakulla and Franklin Counties under the state guidelines.

Chair Gaetz asked if there was an interlocal agreement with the Franklin County School District that provides that students from Franklin County have full access to the academy. Wakulla County School Superintendent Bobby Pierce said that such an agreement does not currently exist, but that will be put in place going forward. He said that Wakulla already shares its ROTC program with Franklin and have worked with the superintendent there to make sure that we can give their kids opportunities to access things that they might not be able to access simply because of their size. Chair Gaetz asked if the school district would be agreeable to include in the term sheet a requirement for such an agreement Superintendent Pierce agreed that would be acceptable.

Chair Gaetz then asked what provisions would be made for transportation of students from Franklin County to the campus in Wakulla County. He said that the success of the program for those students would be to assure that there was no barrier for Franklin students to participate due to lack of transportation. Superintendent Pierce said that he believes that he and the Franklin County superintendent can come to an agreement to transport students. Chair Gaetz asked that such an agreement be included as a reference in the proposed term sheet with Triumph Gulf Coast. Superintendent Pierce agreed.

Are there other questions or comments?

Mr. Henderson said that this looks like an amazing project, and he commended Dr. Fuller and staff for this proposal. He said that the project looks truly transformational, something that can be built on.

Dr. Fuller said that this program will be a precursor to the future of education models. 75% of the CAPE certifications to be offered are high-end certificates. They will provide pathways to high paying jobs of the future that will add value just for the possession of the certificate in the skills that the company holds valuable. Dr. Fuller said that the State of Florida should be commended for their forward-looking approach in putting these things in place and accessible to kids free of charge.

Chair Gaetz called on Dr. Sunny Chancy, representing Wakulla County Schools, for comment and congratulated her on obtaining her Ph. D recently. Dr. Chancy said that the part of the program of which the county is most proud is the part that promotes job placement for their students. She said that as good as the school system is, the one component that has been missing has been the actual job placement of students. This approach allows for more focus on job placement.

As an example of that she said that earlier in the day they had a couple of gentlemen come to the high school to enter into an MOU, for not only volunteer hours in the business industry but also, they want to hire Wakulla students. She said going forward that everyone really needs to be more intentional about making sure that we're not only training our kids, getting them to, to college, and to workforce, but also helping them move on to that next step in their lives.

Chair Gaetz asked if there could be any consideration given to pursuing an arrangement that would combine the industry certification, high school graduation and earning state college credits for the coursework completed. Dr. Chancy said that has been the district's intention all along. She said the goal is to not only house a career and technical program, where students can get that certification to move on to the job market, with a two year equivalent a training program but, at the same time, provide on-site, complete, a degree certification without having to travel to a junior college for a year to finish up while they're in high school. She said this proposal fits nicely into that, and we will be able to use this career and technical high school to try and bring in more. Currently, the district offers about 33 hours of dual enrollment credit, and we will try and intertwine that as much as we possibly can, so that those students are earning college credit at the same time.

Chair Gaetz asked Dr. Fuller to focus his attention on getting as many certificates as possible approved for college credits and articulation into higher education. He then asked if any member of the public wished to be heard on the proposal. No one spoke. Mr. Terry made a motion to direct staff and counsel to begin term sheet negotiations with the applicant. Mr. Henderson seconded the motion which passed unanimously on a roll call vote (7-0.)

Public Comment

Chair Gaetz asked if any member of the public wished to comment on any issue before Triumph Gulf Coast. No one asked to be heard.

There being no further business, the meeting was adjourned at 2:24 p.m. CT.