

**Meeting Minutes
Triumph Gulf Coast, Inc.
Franklin County Courthouse Annex
34 Forbes Street
Apalachicola, Florida 32320
April 10, 2024 10:30 a.m. ET**

Members Present:

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

Call to Order & Welcome Roll Call

Chair David Bear called the meeting to order at 10:31 AM 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 March 1, 2024 Board meeting minutes. Chair Bear asked if everyone had an opportunity to review the minutes.

On a motion by Mr. Collier Merrill and seconded by Mr. Jay Trumbull, Sr., the March 1, 2024, Meeting Minutes were approved without objection.

Next Chair Bear welcomed Dr. Joel Trexler, Director of the FSU Coastal Marine Lab, to speak on the Apalachicola Bay System Initiative (ABSI) project funded by Triumph Gulf Coast and expressed gratitude for his attendance.

Dr. Trexler provided an overview of the ABSI project, highlighting their mission to understand the decline of oyster harvests in Apalachicola Bay since 2011, leading to economic impacts on the region, to develop community-based recommendations for management and restoration, and support the Franklin County fisheries industries.

He outlined two main factors contributing to the oyster decline: decreased freshwater flow from Apalachicola River increasing salinity and oyster mortality and the loss of a shell return program, which led to a depletion of necessary substrate for oysters.

Various activities were undertaken, including research, oyster habitat restoration, establishment of a research oyster hatchery with Triumph funds, and creation of a Community Advisory Board. The project has created jobs in Franklin County associated with Marine Lab, provided internships, generated additional federal funding, and facilitated community engagement through workshops and meetings.

ABSI is requesting an extension of the Triumph project date, at no additional cost, to continue monitoring ongoing restoration efforts and experiments; implement computer models for understanding the dynamics and effect of freshwater flow on salinity patterns in the Bay;

continued collaboration and partnership with the state management agency; and possibly implementation of training programs for local businesses in collaboration with FSU's Jim Moran College of Entrepreneurship.

Ms. Skelton asked Dr. Trexler to elaborate on the experimental success of the project. Dr. Trexler highlighted their ability to produce market-size oysters within nine months of placing lime rock substrate, a notably rapid growth rate compared to other regions like New England and Chesapeake Bay. He emphasized that the favorable environmental conditions of Apalachicola Bay contribute to its productivity, suggesting potential for reef recovery and sustainability of the industry over time.

Mr. Bryan Corr, Sr., inquired about the metrics of success for this program.

Dr. Trexler outlined the original metrics, including job creation, securing external funding, generating new income, and supporting regional businesses, particularly in the fisheries industry. Dr. Trexler acknowledged challenges, such as the impact of the state mandated harvest shutdown and loss of businesses in Franklin County. Despite setbacks, they are very optimistic that the Bay is going to be able to return to supporting this type of industry, and progress has been made in securing funding for development of industry related to oyster re-shelling, to sustain employment and support the industry.

Mr. Corr asked whether there will be a point when industry can support itself without the support of the ABSI project. Dr. Trexler emphasized the need for sustainable management practices to balance resource extraction and replenishment. He highlighted the importance of replenishing oyster shells for habitat and discussed successful models in other regions like Chesapeake Bay.

Mrs. Leslie Weiss questioned Dr. Trexler about the control over salinity levels and its continued relevance as an issue. Dr. Trexler highlighted efforts by the State of Florida to gain control over salinity management and emphasized the need for collaborative efforts with neighboring states like Georgia and Alabama. He discussed surprising findings from the project regarding water flow patterns and emphasized the importance of balancing freshwater flows to meet environmental needs downstream. He believes it is simply a problem of environmental management and government agencies like the Army Corps of Engineers and the state agencies. It is not an unsolvable problem in his opinion, and the more they learn about what the oysters need in Apalachicola Bay, the better the information they can provide to environmental managers.

Mr. Merrill expressed concern about oyster mortality due to salinity and wondered at the merit of exploring the potential for selecting more resilient oyster strains. Dr. Trexler explained that while salinity and water flow are factors, drought and the depletion of oyster bar substrate also contribute to resilience loss.

Chair Bear asked about efforts to find more resilient oyster strains, particularly resistant to Vibrio.

Dr. Trexler mentioned ongoing research by a faculty member at the Marine Lab on diseases affecting oysters and their potential impact on oyster persistence. He explained that while oyster diseases are present, the shorter life cycle of local oysters compared to other regions may reduce cumulative risks. Dr. Trexler highlighted oysters' ability to filter and remove pathogens, including human pathogens like Vibrio, emphasizing the importance of supporting the oyster resource.

Ms. Skelton mentioned that after the BP oil spill, the oystermen overtook the area, and decimated the beds at the pinnacle of the disaster. She agrees with Dr. Trexler's statement that it was an unusual confluence of terrible conditions.

Dr. Trexler concluded by explaining that after the oil spill, the oyster harvest was opened to everyone since there was great concern the oil would get into the Bay and kill all the oysters, but that never happened.

Chair Bear thanked Dr. Trexler for his update on ongoing research and efforts to address challenges facing the oyster industry.

Treasurer's Report

Mrs. Jennifer Davidson, CPA, reminded the Board that the reason they have so many financial statements for review today is that they had to accrue for any expenses that Triumph grantees had spent through the end of the calendar year that they were aware of by the end of February.

The total payable that Triumph accrued was about \$12.5 million. She noted that disbursement requests and counties affected are shown on the schedule; and additionally, now there is now a line item for "Prepaid Fund Distribution" indicating where Triumph has provided project money upfront before expenditure. It is a requirement that they record those funds as prepaid along with the payable that they record for the other projects. She noted that this change is reflected in December's financial statements.

Mrs. Davidson presented the December financial statements. The Statements of Financial Position show a Prepaid Fund Distribution of about \$2.9 million, and under the Current Liabilities of the Accounts Payable section, there is a Fund Distribution Payable of about \$12.5 million. The Statement of Activity by Class now reflects funds distributed in the amount of \$58 million for the calendar year of 2023, which includes that accrual. **Mr. Merrill made a motion to approve the December Financial Report as presented. The motion was seconded by Mrs. Weiss and approved without objection.**

Next, Mrs. Davidson reviewed the January 31, 2024 financial statements. The Statement of Financial Position shows \$591 million in total assets. Mrs. Davidson noted that everything Triumph distributed in January had been accrued back to December. For the month ended January 31, 2024, Triumph's Prepaid Fund Distribution still sits at \$2.9 million, and Fund Distribution Payable has been reduced to about \$8.6 million. The budget to actual shows Triumph has collected \$2.7 million in interest income. Triumph is under budget in administrative costs by about \$18,600. **Mr. Merrill made a motion to approve the January Financial Report as presented. The motion was seconded by Mr. Trumbull and approved without objection.**

Mrs. Davidson then reviewed the February 29, 2024 financial statements. The Statement of Financial Position shows \$593.8 million in total assets, and Fund Distribution Payable remained the same as the January at approximately \$8.6 million. The budget to actual for the month ended February 29th shows Triumph has collected \$2.6 million in interest income. Triumph is under budget in administrative costs by about \$14,000. For the two months ended February 29th, Triumph's interest income year to date was \$5.4 million and under budget in administrative costs at \$32,000. Mr. Merrill asked a question about the trend of under budget in the administrative line item, and Ms. Davidson explained that "administrative" is mostly based on

the timing of submittal of reimbursement requests. For example, some of the staff submit requests quarterly instead of monthly, and some of the grant compliance pieces are not even throughout the year, so it depends on how many requests they must review each month for the grant compliance cost. Ms. Skelton noted that this line item in February also reflects an additional employee that came on board in January. **Mr. Merrill made a motion to approve the February Financial Report as presented. The motion was seconded by Mrs. Weiss and approved without objection.**

Finally, Mrs. Davidson reviewed the March 31, 2024 financial statements. The Statement of Financial Position shows for the month ended March 31, 2024 Triumph has distributed \$4.9 million. The budget to actual shows Triumph has collected \$2.7 million in interest income. Triumph is under budget in administrative cost by about \$10,000. Year to date, interest income is \$8.1 million and administrative cost is under budget by \$43,000. **Mrs. Weiss made a motion to approve the March Financial Report as presented. The motion was seconded by Mr. David Humphreys and approved without objection.**

Mrs. Davidson noted the new message across the top of the Schedule of Funding that reads, "This (schedule) is based on timing of cash disbursements and does not take into account the accruals done for financial statement purposes." Ms. Skelton reminded the Board that they included that note to ensure the public could understand that the money is still going out at a monthly rate for each of the projects, as opposed to the accrual question.

Mrs. Weiss asked why they switched to accrual on some and cash basis on others. Mrs. Davidson replied that it is an accounting standard that requires the government to accrue those items. Grantees were filing their audits and saying that Triumph owed them this money and it was never traceable back to Triumph to show that they actually owed them those funds. At the beginning, it was not a material difference, but now that the money is going out more rapidly, it becomes a material difference to their financial statements.

Staff Report

Ms. Skelton reported that the Legislature has not yet sent the Rural Economic Development bill (HB 141) to the Governor for signature, so it is still pending final action, and the Appropriations and Implementing Bills have not yet gone to the Governor. She said this is not unusual when there is an early session to have this timeline delay.

As a matter of condolence, Ms. Skelton also informed the Board that Senate President Kathleen Passidomo lost her husband in a hiking accident in Utah last week. Ms. Skelton sent her thoughts and prayers to the Passidomo family and the Senate family as they deal with this horrible accident.

In her staffing update, Ms. Skelton proposed that it was time for the Board to move ahead to the final part of the first phase of Triumph's personnel expansion. In November, Triumph began building out its staff since they had a little bit of leeway in the interest funding to allow them to spend money to build the team that they need. She commented that they have seen real, positive impacts from adding the staff to the team, and it has made a huge difference in the ability of the team to validate their process and the work that staff is doing.

Ms. Skelton asked for the Board's consideration to allow her to go ahead and begin the process, working alongside Chair Bear to hire the final member of their workforce development team,

which will be the person who will shadow Dr. Frank Fuller, Triumph's Education Advisor, to learn his process and how to facilitate the development of the of the workforce project.

Ms. Skelton is requesting to hire someone who not only has deep classroom education experience, but also has good administrative experience within a school district and is able to work at the superintendent level, and the school board level in their conversations with the individual counties. For that reason, she is requesting a little bit of leeway in determining what amount they would offer a potential hire. Ms. Skelton proposed the idea of hiring someone on a very limited hourly basis to begin the interaction with Dr. Fuller and Mrs. Juliette Milam, who is helping on the compliance side. As they build that skill set and personnel, staff will come back to the Board and ask for more, but to start, Ms. Skelton proposed an hourly rate not to exceed \$33 per hour, for the new hire. She is seeking a person with the credentials and the advanced degree they will need to function at the level alongside Dr. Fuller.

Ms. Skelton added that staff will also plan to do some shifting internally to allow Ms. Baker to free up time to work directly with Dr. Harper to begin building out the job performance compliance metric testing on the industrial/infrastructure side, just as they have done with the workforce side. Ms. Skelton concluded by stating that the staff has a really strong team, and it is exciting for her to see how far they have come in just a very short time with additional personnel.

Mr. Collier Merrill made a motion to approve development of a job description and salary for a new hire at the discretion of Chair Bear and Ms. Skelton, at a rate not to exceed \$33/hr. Mr. Corr seconded the motion. The motion passed unanimously on roll call vote (7-0.)

Chair Bear concluded by thanking Dr. Fuller for making himself available to work with Triumph's future staff member to help train them to succeed him as Triumph's expert in education.

Legal Report

Mr. Alan Manning, Legal Counsel, introduced the **Proposed Grant Award Agreement for Proposal #312 – Florida State University – Panama City – InSPIRE for up to \$98,453,615** - to support FSU's development of the Institute for Strategic Partnerships, Innovation, Research and Education (InSPIRE). Mr. Manning noted that the grant award agreement is consistent with the term sheet approved at the last meeting and staff recommends its approval.

Dr. Stacey Patterson, Vice President for Research at FSU, introduced herself and let the Board know that Dr. McCullough was called out of town on a family emergency and sends his apologies for not being at the meeting. Dr. Patterson noted that many supportive FSU colleagues were in attendance from both Tallahassee and Panama City, and they are glad to be here today as the Board considers the contract for this important project. FSU really appreciates Triumph's support on this project as well as several other projects, and they are extraordinarily grateful for the ongoing support of their efforts.

These projects are creating new business opportunities that will continue to be impactful to the region well after their initial period. As FSU continues to seek new ways to best serve the citizens of the state of Florida, they are creating a bold and impactful vision to leverage FSU's current strengths with new investments to create an innovation ecosystem aligned with regional needs, opportunities, and strategies, particularly focused on Northwest Florida. InSPIRE is truly a transformational concept, and it will provide the foundation for FSU to better serve the needs

required to fuel this future innovation, economy, and ecosystem. It will serve as a beacon to attract others to the region, and the impact will be felt for decades to come. The university looks forward to the continued partnership with Triumph and the partners throughout this region, and they want to say a particular thank you to the Board and staff who have gone over and above in their collaborative efforts.

Mr. Merrill made a motion to approve the Proposed Grant Award Agreement and Mr. Reynolds Henderson seconded the motion.

Chair Bear asked if there was any debate or discussion from the Board.

Mr. Corr asked whether this project is being assigned to Bay County, and Ms. Skelton replied affirmatively.

Mrs. Weiss commented that she is very impressed with and excited about this project. Chair Bear asked if there was anyone from the public who would like to speak to the project.

Dr. Ed Meadows, President of Pensacola State College explained that all of the Panhandle college presidents, along with the President of FSU, recently met at the Northwest Florida Aviation Center of Excellence in Crestview to sign an articulation agreement that is directed toward their collaboration with this project. He said they intend to be on the applied end of this research and hope that this will help economic development across the region and increase workforce opportunities for citizens. He said that the colleges represented at the meeting included: TCC (soon to be TSC) (President Jim Murdaugh); Northwest Florida State College (President Devin Stephenson); Pensacola State College (President Ed Meadows), Gulf Coast State College (President Glen McDonald) and President Sara Clements from Chipola College.

Chair Bear asked if anyone else from the public wished to be heard on the proposal, and seeing none, Chair Bear thanked Dr. Patterson and requested that she let Dr. McCullough know the Board's thoughts are with him and his family.

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

Mr. Manning introduced the **Proposed Grant Award Agreement for Proposal #326 – Okaloosa County School District – Okaloosa Technical College North Campus for up to \$7,850,000** - to support the school board's Okaloosa Technical College North certificate program and advanced manufacturing production, welding, electronic systems, automotive service, plumbing and applied cybersecurity. Mr. Manning noted that the grant award agreement is consistent with the term sheet that the Board approved at the last meeting and staff recommends its approval.

Mr. Jon R. Williams, Director of Okaloosa Technical College, thanked the Board for the opportunity to just say thank you again. He believes this project is going to be fantastic and noted that renovation will begin very soon. Additionally, the college has hired Mr. David Welch to help them get a jump start on enrolling students in 2025-26. He acknowledged Mr. Welch, who was also present at the meeting, and introduced him to the Board stating that he will be working with staff and communicating with them about everything. He stated that Mr. Welch has a lot of experience with the school district and in doing some of the renovations that have been performed in Okaloosa already. Mr. Williams concluded by thanking the Board and Triumph Gulf Coast, Inc.

Mrs. Weiss made a motion to approve the Proposed Grant Award Agreement and Mr. Corr seconded the motion. Chair Bear asked if there was any debate or discussion, or if anyone from the public wished to be heard on the proposal. Seeing none, **the motion passed unanimously on roll call vote (7-0.)**

Mr. Manning then introduced the **Proposed Grant Award Agreement for Proposal #291 – Pensacola-Escambia Promotion and Development Commission (PEDC)- Project LASER for up to \$6,000,000** - to support the construction of a facility at Pensacola State College, or the American Lightweight Materials Manufacturing Innovation Institute (ALMMII) doing business as LIFT Technologies. Mr. Manning noted that this grant award agreement also involves Space Florida, although they are not a party to the grant award. This agreement is consistent with the template Triumph developed in connection with Project Maple, which the Board approved at a prior meeting, and staff recommends approval.

Chair Bear invited Mr. Brian Hilson to speak, but first reminded the Board, and publicly disclosed that he serves as Chairman of Florida West Economic Development Alliance in Escambia County, which partners with PEDC, and PEDC contracts with Florida West for staffing; and Mr. Hilson is the CEO of Florida West. Chair Bear stated that there is no conflict of interest because he is a volunteer and is not on the PEDC Board but wanted to provide full disclosure.

Mr. Hilson thanked the Chair and summarized Project LASER, for the American Lightweight Materials Manufacturing Innovation Institute (ALMMII) d/b/a LIFT. This is for a 38,750 sq ft R&D facility and office facility to be built on the campus of Pensacola State College. It will involve 36 permanent jobs with a minimum average annual wage of \$113,083. The capital investment will be \$21 million, of which approximately \$14 million will be in construction, and as was mentioned, Space Florida is, in effect, the conduit lender up to \$8 million and \$7 million will come from LIFT. The Triumph grant request is for up to \$6 million and PEDC would be the grantee. Performance metrics include not only the jobs and the capital investment, but the company is responsible for up to \$32 million in grant acquisition, and they must provide mentoring and support to at least 100 industrial companies in the eight-county Panhandle region. They are very pleased and eager to get started, and Mr. Hilson concluded by thanking the Triumph Board for its support. Additionally, he reintroduced PSC President, Ed Meadows, to say a few words.

Dr. Meadows started by making a brief disclosure that he is also ex officio of the FloridaWest Board. He noted that Pensacola State College (PSC) has been working with LIFT Technologies now for about three years. Dr. Meadows said this is not just an opportunity for the Pensacola community and the spin-off new industries that may be locating as a result of the presence of this technology. It is also an opportunity for PSC students to be provided with internships, as well as the curriculum that LIFT Technologies offers in Detroit for dual enrollment for middle school students, so they own that curriculum, and it parallels PSC's curriculum that is approved by the Florida Department of Education. Dr. Meadows concluded by stating that PSC hopes to engage as an active partner with LIFT Technologies in the education of a dual enrollment program as well as opportunities for their students to be on the cutting edge of what is happening in advanced manufacturing through the presence of LIFT Technologies.

Mr. Trumbull made a motion to approve the Proposed Grant Award Agreement and Mr. Corr 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. Manning then introduced the **Proposed Second Amendment to Grant Award Agreement #29 – Wakulla County School Board – Career and Technical Education Center – No Additional Funds**. He noted that this amendment does not involve any request for new grant funds- it is simply a revision of the performance metrics. There were originally three performance metrics that needed to be satisfied, two of which essentially involved grants of certificates, and those are not changing. The only one being deleted is a metric that involved collecting and analyzing wage data relative to the program. For a variety of reasons, the wage data is not available, so that is why the metric cannot be satisfied.

Mrs. Weiss made a motion to approve the Proposed Second Amendment to Grant Award Agreement and Mr. Corr seconded the motion. Chair Bear asked if anyone from the public wished to be heard on the proposal. Seeing none,
The motion passed unanimously on a roll call vote (7-0.)

Next, Mr. Manning introduced the **Proposed Second Amendment to Grant Award Agreement #69 – FSU Coastal Marine Lab – Apalachicola Bay Systems Initiative – No Additional Funds**. Mr. Manning stated that the proposed amendment reallocates some of the budget line items and extends the project completion date to December 31, 2025.

Chair Bear asked if Dr. Trexler had any further comments, and Dr. Trexler simply restated a point from his opening speech, that the Coastal Marine Lab seeks to maximize their ability to take advantage of the projects they already have ongoing.

Mr. Humphreys made a motion to approve the Proposed Second Amendment to Grant Award Agreement and Mr. Merrill 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. Manning informed the Board that on today's agenda, there had previously been a proposed amendment involving the existing grant award agreement for AMI Kids - Panama City, but at the grantee's request, consideration of the amendment is being postponed.

Mr. Manning then introduced the **Proposed Term Sheet for Proposal #282 - Gulf Coast State College – Nursing and Healthcare Expansion for up to \$24,302,669**. This is for the establishment of an interprofessional education simulation training center at the grantee's Panama City campus, and staff recommends approval.

Chair Bear introduced Mr. Glen McDonald, President of Gulf Coast State College, to speak.

President McDonald thanked the Chair and the Board and stated that GCSC is in full agreement with the term sheet. It mirrors exactly the proposal they submitted to the Board and staff and staff has worked diligently and deliberately with them on this term sheet, and they concur they will complete this project successfully.

Ms. Cori Henderson, Program Administrator noted that when the project was originally presented, it was anticipated that an old building would be renovated, but with some due diligence efforts since the Board last heard about the proposal, the college is leaning more towards new construction.

Mr. McDonald confirmed Ms. Henderson's statement. Originally, Gulf Coast State College was considering remodeling a building that was constructed in 1962 and after examining the remodeling cost and the cost of new construction, the college has decided on new construction for the same funds. He said that GCSC has a science building under construction for \$27 million. He stated that they have several quotes for the new building, and will have to do architectural services, but they believe they can do it for the dollars provided by Triumph in addition to those the college will contribute. Ms. Skelton said that from a staff perspective they really appreciate the initiative of GCSC to find a way to build a new building within the budget. They believe it will give an additional lifespan on campus without having to go through the potential headaches of a renovation process for a building built in the 1960's. Mr. McDonald concluded by stating that the new building will be built to new hurricane standards and new educational standards, and they are very appreciative.

Mr. Humphreys made a motion to approve the Proposed Term Sheet and Mr. Trumbull seconded the motion. Chair Bear asked if anyone from the public wished to be heard on the term sheet. No one came forward to speak. **The motion passed unanimously on a roll call vote (7-0.)**

Program Administrator's Report

Prior to her formal report, Ms. Henderson provided a brief update on staff outreach and behind-the-scenes activities since the last Board meeting in early February.

Dr. Fuller's team, accompanied by staff, continues visits to each workforce education grantee to assess project implementation and explore Triumph's ongoing partnership in regional workforce training success. Recent visits included discussions with various entities such as Pensacola State College, Northwest Florida State College, Bay District Schools, Walton Sheriff, Walton School District, and the FSU ASCENT team. Ms. Henderson expressed gratitude to the college presidents, Dean Hanna, and the superintendents for their active participation, leading to fruitful conversations on grant outcomes and industry integration. Meetings have led to requests for budget and time extensions, modifications, and plans for project realignment.

She mentioned that at last week's meeting with the FSU ASCENT team, Dr. Fuller brilliantly noted that Triumph started with a lot of independent and seemingly unconnected projects and now they are starting to see where they will meet and layer on top of each other in the next few years. This workforce development integration across such a large region will set Northwest Florida apart. When companies are looking at new locations, the region has an exciting workforce story to tell. Staff has been consistently impressed with Northwest Florida's remarkable educators and the significant impact the Triumph funds are having on workforce education and training across the region.

Ms. Henderson noted that Triumph's collaborations with Florida's Great Northwest are in progress to update the region's economic development strategy, NWFL Forward, and productive planning meetings are underway.

Behind the scenes, in addition to implementing new systems that seek to streamline and reduce the timeline for compliance and request for funds reviews, the Triumph team has been hard at work collecting and reviewing workforce education grants metrics data so that you can use Triumph data when evaluating new grant requests and Triumph's outcomes.

In addition to the workforce education site visits she mentioned, she thanked Chair Bear and Dr. Harper for recently representing Triumph on a panel at the NWFL Economic Symposium hosted by FPL; Vice Chair Trumbull for representing Triumph at a meeting at Tyndall AFB and at the joint FSU-State College MOU signing event with Dr. Harper; Mr. Merrill for attending the American Magic lease signing ceremony; Dr. Fuller for attending the ribbon cutting for the new Destin Elementary STEM class space that AI fundamentals will be taught in; and she attended the Opportunity Florida Board meeting in Apalachicola and a meeting of the Big Bend region's economic development entities.

Ms. Henderson closed by stating that much of the activity she shared has been possible, in part, due to the Board increasing the size of Triumph's team, and she thanked the Board for that. She reminded everyone that Triumph has a LinkedIn page with over 700 followers and encouraged more to follow. She requested that grantees send any press release about Triumph funded projects so that she may post them there. Triumph's logos are available for grantee use and can now be found on the new Grantee Guide sheet in Smartsheet.

Ms. Henderson then proceeded to give her formal report.

Prior to today's meeting, Triumph Gulf Coast, Inc. had 51 active projects for a total of over \$454,000,000. After today's votes of approval, Triumph now sits at somewhere around \$567,000,000 worth of executed projects. As of April 1, Triumph had received 331 pre-applications totaling \$2.7 billion and 134 applications totaling over \$1.27 billion. Attached is the snapshot of where all the projects stand, and Triumph Construction Management Advisor Randy Lewis' (AIA/Architect) report on his construction compliance review activities.

Ms. Henderson reminded the Board that the grant award agreements require quarterly reports, but they are always in arrears, and so today staff is letting the Board know that Mr. Lewis has reviewed all construction projects that have broken ground and have not been completed. Those reports have been submitted by all the grantees. Dr. Fuller has reviewed all the education grants that are still in their first year so that he can track their progress in that early critical first year of implementation. Ms. Henderson also noted that the Q1 reports are now coming in, and she will report on those at the next meeting.

Ms. Henderson said that Project 215, Wakulla/Lively Tech A&P Cert Program, poses a unique situation. The program funded an expansion of Wakulla students in the Lively program at Tallahassee Airport. Lively had a complete change of its administrative team, and, in that process, this project lost its momentum. It was also set up at a time when staff was testing different ways to grant funds, and this was truly a pay-as-you-go grant, so there was no incentive for Wakulla and Lively to continue the grant when the shift of administration took place, so the two parties have requested to close that grant now, and in the future they can come back, under Triumph's current model, and re-establish the program for the students. Ms. Henderson explained that this item is on the agenda because it involves a unique closing of a project. She concluded by stating that all the financial obligations have been accounted for and all the certs have been reviewed.

Mrs. Weiss made a motion to receive the Program Administrator's Report as presented. The motion was seconded by Mr. Corr and was adopted without objection.

Economic Advisor's Report

Dr. Rick Harper, Economic Advisor, began his report by introducing **Recommendation on Proposal #317 - Pensacola State College – Airframe and Power Plant Training Program for up to \$12,372,935.**

Dr. Harper stated that match is provided in the amount of \$9.8 million from Pensacola State College, \$1 million from Santa Rosa County, and \$5 million from VT Mae, operating in Pensacola as Singapore Technologies (ST.) The Board has made one of its largest investments in the Pensacola airport hangars belonging to the City of Pensacola, and leased to ST to provide maintenance, repair, overhaul facilities. ST is currently occupying the first two of those hangars that Triumph is participating in.

The grant funds would partially fund construction of a 25,000 square foot training facility as well as part of initial program implementation (including faculty and staff, equipment and supplies, tuition fee waivers, marketing, etc.). The project will guarantee completion of 420 airframe and power plant (A&P) certified individuals over a 12-year period. Staff expect that these newly credentialed individuals will help meet the labor force needs being created by companies such as ST, Leonardo, and Premier Aviation Quebec, Inc. (Bay County Project Maple), that have all made commitment to commence and expand operations throughout the Triumph area, and they have extensive labor force need for the highly skilled A&P mechanics. Adequate training opportunities do not yet exist in the eight Triumph counties and this proposal will assist in meeting that need.

In calculating ROI for this project, Triumph staff considered some additional factors aside from the actual certificates earned (i.e., the general aviation mechanic certificate, then the airframe certificate, culminating in the power plant certificate, at which point the individual will be a fully credentialed A&P technician). These additional factors include: 1) substantial industry need; 2) attrition “pre-power plant”; (typically power plant designation requires completion of a two-year program) and many students will find that their initial credentials are satisfactory to their employment needs and they will not progress to get the final credential 3) Career and Professional Education (CAPE) List - A&P is at the top of that list in terms of the effort required, and 4) seat hours.

First and foremost, Dr. Harper noted the importance of considering industry need when calculating ROI. As an example he recalled that when Project Maple first considered expansion in the Quebec area, they could only find 5 credentialed mechanics in response to their advertisement, and that they were delighted to learn that right there in Bay County at Haney Technical College, who Triumph has funded on several occasions, there are actually 25 students enrolled, and Project Maple went so far as to say that it was a major deciding factor for them in locating to Northwest Florida as opposed to another location.

Dr. Harper also noted that in Escambia County, the staff has seen first-hand that George Stone Technical College is unable to retain instructors for the A&P credential because, like those in the nursing programs they observe, they have high-wage opportunities in the private sector that may preclude them from feeling that they can take a job in the school district.

In conclusion, Dr. Harper re-stated that, in addition to counting for the 420 individuals who will receive the general mechanic certificate, the airframe certificate, and the power plant certificate, Triumph staff believes it is appropriate to consider a more general milestone that reflects the four factors described when calculating ROI. Staff have used that additional milestone to effectively bump up the score for the A&P certificate.

Staff calculated the ROI per Triumph dollar to be \$18.5 dollars in additional household income per Triumph dollar expended. Dr. Harper explained that he ran the calculation according to staff's standard practice of simply counting the three certificates that are necessary. If they were to ignore the milestone aspect which staff feel reflects industry need, possible attrition, CAPE List status, as well as seat hours, and calculated solely using the three certificates, the estimated increase in family income per dollar would be \$7.9 dollars per Triumph dollar expended. They would score that as a "C," however, given the extensive industry need, possibility for attrition that can be ameliorated, as well as the CAPE List and seat hours, they score it to be \$18.5 dollars per Triumph dollar of expenditure and with that staff score the project as an "A."

Pensacola State College President Meadows asked Dr. Debbie Douma and Mike Listau, PSC Director of Applied Technology and Professional Services to stand with him. He stated that they all highly support staff's recommendation to create these milestones, given the importance of getting this training in place. He noted that it is far beyond what they expected to be able to accomplish, to have a facility available on loan from ST before they finish construction of the 25,000 sq ft facility. Dr. Meadows also noted that they intend to make this a dual enrollment program. They have a commitment that there will be some aspects of part-time work available to the students that are enrolling in the A&P program, and they are hopeful it will be a retention strategy to keep the students on to full completion of the program. He recalled that many years ago, in talking with ST Aerospace, they agreed that once an A&P mechanic is in place, if they show leadership skills, then they can give them advanced certification and training in specialized areas like blueprint reading and non-destructible material testing composites and also the management aspect since they offer a bachelor's degree in in management.

Dr. Meadows stated that his team has been working with the City of Pensacola as well, and they recently met with the airport authority to look at expanding the projected ground lease for this facility at the airport. The FAA had frozen applications, but they have now lifted the freeze and Dr. Meadows understands they are now on the fast track for approval. It seems FAA desires to help them as much as possible to be able to provide a workforce for this fast-growing industry in Northwest Florida. Dr. Meadows concluded his remarks by asking Mr. Bill Hafner, representing ST, to give the Board a report on where they are with the temporary facility.

Mr. Hafner then introduced himself as the Chief Integration Officer at ST Engineering, responsible for the design and development of the aerospace complex at the Pensacola International Airport. Mr. Hafner is a maintenance technician himself, an A&P mechanic, so today's subject is very near and dear to him. Mr. Hafner noted that ST in Mobile had long been looking to partner with a school like Pensacola State College, and in preparation for that partnership, they decided to launch the project before the actual brick and mortar component is complete. Therefore, ST has allocated a space in Pensacola Airport's Hangar 1. They cleared out a space on the mezzanine and have been able to relocate several of their other activities over to Hangar 2. Currently, they have a \$100,000 project underway for a standalone discrete entrance for the school, so students are not commingled with the workforce. They have received numerous tools from AvaTech, and others made available by funding from PSC and Santa Rosa County. Additionally, they have contracted an electrical engineering team, for roughly \$35,000, to provide power to operate the equipment in the standalone area.

Mr. Hafner added to what Dr. Meadows had mentioned about FAA applications and explained that this application is the first application for the Alabama and Northwest Florida FAA district following the moratorium on certificates. The certificate manager has been assigned and the application accepted, so they are developing the last of the criteria for the curriculum and the

training plans, and soon they will be in the demonstration phase. Mr. Hafner noted that any monies spent for these improvements made prior to the official start of the Triumph project have been provided by ST so that they can get this fast-tracked and get started before the new construction is completed.

Dr. Meadows explained that there is also \$1 million of equipment at ST Aerospace, provided by the Legislature to Santa Rosa County, ready for students to start learning and enrolling in this program. They understand that the students they will train will also be employed in Santa Rosa County. Dr. Debbie Douma, Dean of Grants and Federal Programs at Pensacola State College thanked the Triumph staff, especially Dr. Harper, Dr. Fuller and Ms. Henderson. She stated that this has been a project that they have been working on for quite some time with lots of moving parts, and they appreciate staff's patience in working with them on it.

Chair Bear then asked Erica Grancagnolo, Director of Economic and Neighborhood Development at the City of Pensacola, if she had any comments.

Ms. Grancagnolo echoed the sentiments of Dr. Douma and stated this is something they have been working on for a long time. This is a project that she was involved with when she was working with Santa Rosa County. Roughly four years ago, they toured the A&P school in Mobile and worked with Dr. Meadows and his team to understand what this program really should look like so that it can benefit Pensacola residents. From the City of Pensacola's perspective, this is the final piece of the ST puzzle, and it is probably the most important one. This is the reason they invested in ST coming to Pensacola. Pensacola's workforce liaison is already working with ST to establish tours for high school students, so that they can be exposed to what an A&P mechanic is and what ST does. A lot of the students in Pensacola right now do not understand that this option is something that could be in their future and available to them, so they have been working diligently behind the scenes to set the groundwork to make sure that that PSC meets their enrollment numbers for this program. The City of Pensacola invested in ST to create these types of workforce opportunities for their youth in Pensacola, so they are very excited for and supportive of the project. Their airport team will continue to work with PSC and ST throughout the construction of Hangars 3 and 4 and through this project. Ms. Grancagnolo thanked the Board for their time and Ms. Henderson and Dr. Harper for all of their hard work on this project.

Chair Bear asked if the Board had any questions.

Mr. Trumbull asked how long it takes for an individual to become an A&P certified. Mr. Mike Listau, PSC Director of Applied Technology and Professional Services, replied that it would take just under two years. There are three certifications: general, airframe and power plant, and the general is the prerequisite to the airframe and power plant, and assuming they get their general certificate on time, they can finish in 18 months.

Mrs. Weiss inquired about the previously frozen FAA applications. She asked what they were for and why they must apply for them. Mr. Hafner explained that the Part 147 school is an FAA certificated activity. ST's MRO is what FAA defines as an "air agency," so they are FAA certificated, fall under FAA guidelines and are overseen by the FAA for regular inspections. Mr. Hafner stated that the industry is all very, very tightly regulated, and because FAA was so short staffed for so long, during COVID, and because the application backlog got so large, they prioritized air carrier applications first - Part 121, followed by Part 135, and then Part 145 on MRO, and the Part 147 fell behind until they got the backlog down. ST's application has now been submitted for a full year since it was done last April.

Mr. Listau added that everyone's comments have clearly demonstrated the collaborative efforts from many different partners in Escambia and Santa Rosa County, and he mentioned that in addition to the FAA approval, they have been given Florida Department of Educational approval. They have the curriculum developed as well as the state course number issued, so the project is moving forward, and this is the final piece. He thanked the Board for their consideration.

Mr. Corr asked whether the military outsources any of their maintenance, and Mr. Hafner replied in the affirmative stating that the military outsources a great deal of their maintenance, however, currently ST only services commercial air carriers in their facility.

Mr. Corr followed up by asking whether someone would have to have security clearance to work on military equipment. Mr. Hafner stated that it does require that a different set of standards be met and there is segregation between commercial and military work for security purposes. ST is not currently seeking any of that work although there is quite a bit out there. Mr. Corr also stated that he knows Leonardo is a military contractor, and Ms. Skelton noted that Mr. Shannon Ogletree, Director of Santa Rosa County Economic Development, may be able to speak to Leonardo. Mr. Ogletree confirmed that Leonardo does require certain certification for their MRO. He stated that the Leonardo facility being set up in Milton will be not only be operating on the Navy aircraft, but also commercial aircraft throughout the Southeast and in South America. Ogletree also mentioned that Leonardo is aware of this project, and they wanted to send a letter of support along with him, but he was running late and unable to retrieve it in time.

Mr. Humphreys commented that the 420 airframe and power plant certifications over 12 years seem like a drop in the bucket for the need, and asked whether there is any opportunity to expand those certifications to a larger number? Dr. Meadows echoed Mr. Hafner's statement that ST can absorb students if PSC can teach them. This is a unique problem in the aviation industry. He stated that there must be keen efforts to recruit from outside of their region to this area, and an average salary of \$66,000 is not sufficient for that effort. Dr. Meadows explained that in this industry employment sector there is a lot of opportunity for overtime, so a lot of the Mobile A&P mechanics make six figures with overtime. PSC will do its best to help recruit those from outside the region that can step into the job, as well as those that have the airframe certification but need the power plant certification. He concluded that it may seem like a drop in the bucket, but you have to start somewhere, and this is a good place to start.

Mr. Humphreys then asked whether the \$66,000 per year is an entry level income. He wondered what a student is equipped to do at that level. Can they take apart a turbine or weld an airframe? Mr. Hafner replied that someone could weld an airframe with the certification, and if they work in a properly rated facility with power plant ratings, they can take apart a turbine engine. ST is an airframe facility primarily, and they have limited power plant ratings on their op specs. They have operation specifications issued by the FAA. They are a Class IV repair station which allows them to provide maintenance services to all metal aircraft over 12,500 lbs, so they are rated for everything that is manufactured right now and they do all extensive maintenance services on this aircraft. Once certified, a person is well-trained in the techniques and the requirements to service aircraft, but then training also continues. In their facility, every technician spends 4-6 weeks each year getting general familiarization and advanced systems training on various airframe types, different components, and systems.

In conclusion, Mr. Hafner stated that technicians will go as far as their education will carry them. He also re-emphasized the great need for A&P technicians in Pensacola, and that in the long-run, ST will have thousands of jobs to fill. In fact, United Airlines is contracted to ST, under a 10-

year agreement, that brings nine product lines to Pensacola. He further explained that a product line is a nose to tail line of heavy commercial aircraft that represents anywhere between 17 to 30 days per visit.

If this system is set up as they envision it, it will be a world-class facility. They also intend to be able to reach out to the military' exiting service personnel and use their experience and they could offer their job descriptions up to the FAA after internal testing and preparation, which they will do with PSC. They estimate about 6 to 9 weeks to prepare a military technician who has been around military jet aircraft to bring him into the commercial world to put him forward to get his A&P license. The FAA also allows an individual to become certificated through experience. If you have 18 months of airframe experience or 18 months of power plant experience, signed off and certified by technicians, or 30 months combined, you can also be put forth to the FAA and presented for testing. They would work on all these initiatives with Pensacola State College to prepare students for testing, which has three phases: written, oral and practical, and it takes about a week to complete.

Mr. Listau followed up by saying that they are focusing on getting this project started from a college credit standpoint. This is very similar to the way that they started their truck driving program, and truck driving is performing well on meeting industry certs. One of the additional components they added in that program was the ability to be a testing site at the truck driving location, which means they can take those fast path students, whether they be military or people that come from industry, that want to go from airframe to add that power plant endorsement through non-credit training. In the future, they hope to be able to increase certs filtered through PSC and help to meet that workforce demand.

Dr. Fuller mentioned that right now in Florida, there are 5,000 vacancies for A&P, and for instructors it is even more compelling because once they bring them into the schools or the training centers, they tend to follow the job market to get more money. He explained that they now have A&P operations at Northwest Florida State College, Haney, and formerly, briefly at Lively. He stated that in Northwest Florida, the aviation industry is critical, and the job market is monstrous. Dr. Fuller believes that nationally, 60,000 vacancies exist in A&P, and in his opinion, this would be a great, critical area for Triumph to invest and expand the opportunity. He emphasized the fact that these aviation companies literally cannot operate if they do not have FAA certified technicians.

Mr. Humphreys inquired as to whether there is an option to take a sort of apprenticeship, with a mechanic to get the same FAA certification without going to a technical school. Mr. Hafner replied that ST does facilitate that type of training. They have two programs internally, one of them is referred to as their A&P program, which is an aviation maintenance technical training program –that is where students go to school full-time and work with them part-time; and then they have another program where candidates who cannot afford the education come to them non-certificated and they put them in an internal training program. That program takes quite a bit longer, mainly because they make the effort to make sure they are exposed to all the curriculum and that is challenging in a work environment where it is a revenue producing activity. The trainee may work with ST for 3-5 years before they are ready to take the FAA exams.

Mrs. Weiss asked whether the FAA requires continued education or a certain number of hours per year to keep up with new technology. Mr. Hafner replied that a technician must exercise their license (with return to service activities) on an annual basis or they will forfeit it. If you do an inspection, if you do a repair or replacement, if you do a functional or operational check, and you do it in accordance with approved data and it is recorded in a logbook or in non-routine

format that is put to record on that aircraft, then you can demonstrate that you are maintaining proficiency. Now, if you are going to work on new equipment or in an area you haven't performed in before, then the training is required and that goes to record as well.

Mr. Henderson made a motion to direct staff to move to term sheet negotiations. The motion was seconded by Mr. Corr. 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 a roll call vote (7-0.)**

Dr. Harper continued his report with a **Recommendation on Proposal #320 – Visit Florida – NWFL Beaches – Adventure Within Reach for up to \$10,500,000.** VISIT FLORIDA (VF) is seeking \$10.5 million from Triumph over three years. With its partner, the Northwest Florida Tourism Council (NWFL), VF will create and execute a regional tourism promotion project for the eight counties in the Triumph region. The project intends to diversify and enhance the region's tourism by spreading the benefits of tourism to areas not typically realizing those benefits by promoting visitation outside of the peak summer season and extending seasonal employment into additional months or year-round employment. It will also add resilience to the region's tourism industry by facilitating the diversification of regional tourism product offerings beyond the beach. Match of \$500,000 per year will be provided by both VF and by NWFL Beaches for a total match of \$1 million per year to be used in conjunction with the \$3.5 million per year proposed to be provided by Triumph, leading to a total project budget of \$13.5 million over three years. This means that Triumph will be providing 77.8 percent of the total funding. The project consists of two pillars: (1) a regional brand campaign; and (2) destination campaigns.

ROI analysis for VISIT FLORIDA and its promotion programs is conducted every three years by the Florida Legislative Office for Economic and Demographic Research (EDR) as per statute. The most recent analysis was published in 2021. It found that on average 59.9 percent of all out-of-state tourists were influenced by tourism marketing as they planned their vacations. EDR found that the leisure and hospitality industry contributed \$63.8 billion in gross domestic product, or 7 percent of the Florida total, and 1.45 million jobs, or 13 percent of all Florida jobs, and 13.4 percent of Florida's general revenue. Further, the 2021 EDR study suggests (p32) that every dollar of VF spending yielded \$12.55 in additional after-tax personal income. Including the match dollars on top of Triumph's dollars increase this ratio to \$15.3. This is somewhat lower than the average return calculated for Triumph projects. Although both the match and the ROI are somewhat low, staff score this program as an "A."

Chair Bear recognized Mr. Craig Thomas, Chief Operating Officer & General Counsel for Visit Florida, and Darien Schaefer, Council Chair for the Northwest Florida's Tourism Council. Mr. Thomas explained that he is joined by tourism officials from all eight Triumph counties, and they have an application before the Board for a three-year regional tourism marketing project focused on promoting Northwest Florida's adventure experiences. Visit Florida is the state's destination marketing organization and operates as a direct support organization to the Florida Department of Commerce. They undergo rigorous oversight and they have been a reliable recipient of a large amount of funds from both the State of Florida and the federal government for decades, so they know how to manage large grants correctly. Visit Florida has a track record that demonstrates that when they say they are going to do something, they do it; and they certainly have the wherewithal to comply with the type of requirements that go along with Triumph funding. They operate one of the world's largest destination cooperative advertising programs. On average, they partner with about 300 different organizations to run some sort of significant marketing cooperative project every year, so they have a lot of experience working

alongside of and on behalf of a diverse group of stakeholders. They are a cooperative advertising organization, and they have been working in lockstep every step of the way with all eight counties. They self-organize under an umbrella non-profit that they have created - the Northwest Florida Tourism Council. The executive director of each county's tourism unit is on that Board, and the Tourism Council took the initial lead in developing this project. They voted to approve the application that is before the Board today. Importantly, if they are approved today, they are going to continue to engage with that Council and they are going to be a big part of shaping the future direction and execution of the project moving forward. The application also has the support of all eight Boards of County Commissioners across the region. Visit Florida and the Florida Department of Commerce support the project as well. All eight counties are contributing significant matching funds, as is Visit Florida.

This project is unique in three ways. First, they are doing a regional brand built around the world-class adventure experiences that connect all eight counties that will diversify the region's appeal in a way that is not currently happening at the county level. Second, with everyone's support, they'll have the funds they need to take the regional brand into new markets and bring new customers here in a way that none of the counties can currently do individually. Finally, with this strategy, they are really going to lean into the opportunity to give consumers a reason to come visit year-round.

The core idea is simple. The proposal pools funds from all eight counties, plus Visit Florida and, hopefully with the critical support of Triumph, to make this happen, to diversify what the region is known for, to reach into new markets, extend the season, and therefore wages, and enhance the durability of the industry in the region. They structured the application to try to be as clear as possible about what their plan is and how they are going to go about accomplishing it. There are two distinct elements from a marketing planning perspective. This is a single cohesive regional brand campaign that will benefit all eight counties in a major way that is equitable. A portion will be largely Visit Florida led that focuses on the regional brand campaign and then there will be another portion also set up by Visit Florida that allows for the counties to do a little bit more customization in terms of the messaging and the timing for that piece. They have dedicated campaigns, and they have co-op pieces that go along with it. It builds upon an existing pilot campaign, Adventure Within Reach that the Council has put together. It is designed to drive demand among families looking for new outdoor adventures, charter fishing, diving, snorkeling, kayaking, paddling, hiking - all very good experiences for destinations to be in the business of offering. Consumers who engage in those kinds of activities tend to spend about twice as much as those in other categories, so by creating demand for these new adventures among new bidders, this project will create opportunity to further develop the region's small business workforce and create opportunities for the next generation of the region's innovative entrepreneurs. They need Triumph's support to make this happen and requests the Board's approval.

Mr. Merrill commented that Mr. Thomas gave a great presentation. Mr. Merrill noted that this is a great project and hopes that they will come back for more money down the road.

Mrs. Weiss also commented that this is a great project because small counties will get the benefit of the bigger counties all coming together to do one marketing campaign. She believes everybody will benefit greatly from it all the way across the Panhandle.

Mr. Trumbull asked how the ad campaign will work to benefit all eight counties. He wanted to understand whether there would be different ads for each county or one ad that benefits all eight counties. Mr. Thomas replied that there is going to be a variety of creative

assets/advertisements that go in the market. A portion of the ads will be almost exclusively developed by Visit Florida, but in collaboration with the counties to make sure that they approve and think that what they are doing is good. The ads will talk about the entire region and will feature experiences in the entire region, and they are going to have calls to action and talk about every area of the region. Then there is a second piece that is going to drill down and be a little bit more specific about opportunities in individual counties and that is the piece where they are going to set up a package, a media opportunity that aligns with the broader effort, and then each director is going to have the opportunity to contribute to specifically what kind of messaging they want that to be – what the ad will look like, as well as some options on timing and geography where they want to run the ad.

Mr. Trumbull then asked about the new markets they are going after. Mr. Thomas replied that part of the project will be focused on aligning everything with the appropriate new markets. In their Adventure Within Reach project, the Council worked to align with the Midwest corridor - Indianapolis, Chicago, and up through Toronto. They are going to get together, should this project be approved, and make sure those are still new opportunity markets and that each county agrees that is where they should be going.

Ms. Skelton asked if Mr. Thomas could speak to the types of media and the layering of the media messaging that that the project would anticipate doing. Mr. Thomas replied that Visit Florida is a digital first agency. They expect that this will largely be a full-fledged integrated marketing campaign, so there will eventually be components of public relations, and a variety of media assets, but in year one they must stand it up and they expect that most of it will be digital media bias. Ms. Skelton asked whether there would be print or television. Mr. Thomas replied that there will probably be some television in there as well, but most of it will be digital media in year one. The campaign's specific media plan is something they will develop in collaboration with the Council and their expert media agency. They did not come today with a full-fledged media plan for the next three years, but the campaign is going to be heavily focused on digital advertising in year one.

Mr. Merrill asked whether they will also go to conventions, and Mr. Thomas deferred to Mr. Darien Schaefer, Council Chair for the Northwest Florida's Tourism Council, to speak about that. Mr. Schaefer is also the President and CEO for Visit Pensacola representing Escambia County. He said it has been his privilege to serve on the Council and be a part of this process of putting together this grant application that will represent all eight counties. Leading up to this, they have done several pilot programs and, in the last two years, have been testing different distribution channels – one of them has been trade shows. He mentioned that they have gone to travel adventure shows in New York, Toronto, Montreal, and even Calgary, and they have also been exploring the annual Diving Equipment Manufacturers Association (DEMA) show. He believes that as a region they will stand out more than an individual destination, as each county has something different to offer. At these trade shows, they have repeatedly received positive feedback and that gives them tremendous encouragement and excitement about what they can do as a region with the appropriate amount of dollars behind a marketing effort. They will primarily utilize digital marketing since it is one of their most trackable forms of marketing that will allow them to report their ROI. Mr. Merrill reiterated that this is a wonderful idea, and that it aligns well with some of the goals of the Triumph Board.

Mr. Corr sought clarification on whether the match is coming from each of the eight counties. Mr. Schaefer confirmed that each county is contributing to the grant amount, based on a formula that was developed back during the BP oil spill relative to the tourism development tax (TDT) in each county, that created a way to reflect the impact that that the oil spill had on each county.

They have been using those percentages to establish dues, and now sales and marketing programs ever since. Mr. Corr asked if this match coming from the counties is money they are already paying into the fund. Mr. Schaefer explained that it is in addition to their dues. They have been a dues-based organization, but these are additional dollars that each county has committed to create the \$500,000 match from Northwest Florida Tourism Council. Mr. Corr asked whether matching funds and their targeted distribution funds are tied to tourism development pursuits, and Mr. Schaefer confirmed that is correct.

Mr. Merrill made a motion to direct staff to move to term sheet negotiations. The motion was seconded by Ms. Weiss.

Mr. Trumbull asked whether Triumph had previously given money to advertising. Ms. Skelton said that Triumph contributed funds to a project with Florida's Great Northwest that was based on research development and a marketing component to do outreach to site selectors and corporations to come to the region. She explained that it is a different type of market, and that they are not marketing to consumers. They are marketing to potential companies coming into the region, so there has been a marketing component. It is unrelated to this grant proposal's purpose, which is specifically statutorily targeting consumers for regional advertising.

Mr. Humphreys asked whether Visit Florida is the only conduit that the legislators allowed for tourism marketing. Ms. Skelton confirmed that Visit Florida is the only state approved agency for tourism. Fresh from Florida is the only other state approved agency, but it is for agricultural advertising, and no one has come forward with a grant proposal from that agency.

Mr. Humphreys inquired about the history regarding how the legislature came to approve Visit Florida as the only outlet for tourism funds. Ms. Skelton explained that the legislature recognizes Visit Florida as the agency or the entity within government that does regional marketing. It is part of the original legislation and has been their legacy position since the beginning of Triumph. Mr. Scott Remington, Triumph Legal Counsel, further explained that Florida Statute 288.8017, does provide a little wiggle room. Mr. Remington read the following excerpt and noted the oxford comma following "Fresh From Florida", stating that, theoretically, another entity could come forward, but they haven't seen that yet: *(g) Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.* Ms. Skelton noted that the agency must represent all affected counties, not just one specific county.

Ms. Henderson mentioned that there have been discussions about two or three counties that have wanted to come together to advertise, but staff had to refer to the statute, and reemphasize that the agency must represent all eight affected counties. She also noted that staff does anticipate building on the term sheet model from the Florida's Great Northwest Project to potentially allow future agencies to come forward with proposals.

Mr. Remington clarified that in the original statute from 2013, that subdivision allowed for grants to Visit Florida, Fresh from Florida, and it said, "or related content on behalf of one or all the disproportionately affected counties." That language was amended in the 2017 version of the statute. The amended statute went from allowing one county to requiring it to be on behalf of all the counties.

Franklin County Commission Chair Ricky Jones stated that he has had the distinct pleasure of serving as the chair of the local tourism development organization since 2019. Visit Florida was

very impactful and helped them immediately after Hurricane Michael. It really gave Franklin County a boost, and even after the Covid shutdown, the county had an increase in tourist development dollars from the year before. Even though Franklin County is one of the smaller of the eight, they stand in full support of this grant request.

Chair Bear asked if anyone from the public wished to be heard on the recommendation. No one came forward to speak. **The motion passed unanimously on a roll call vote (7-0.)**

Dr. Harper then presented the **Recommendation on Proposal #331 - Santa Rosa County Board of County Commissioners – Bagdad Distribution Building for up to \$7,191,000.**

Dr. Harper stated that the Santa Rosa Board of County Commissioners is requesting a \$7,191,000 Triumph grant to provide a suitable industrial site to house a distribution and logistics center (380,000 sf) along Interstate 10 at Exit 26. The proposed Triumph award will fund acquisition of a 45-acre site along with needed sewer extension, wetlands mitigation/protection and other improvements necessary to allow construction of a 380,000-square-foot distribution center that is envisioned for the site.

For this project, the Santa Rosa County BOCC will guarantee 175 jobs paying at least 115 percent of the current prevailing Santa Rosa wage. Private sector match of \$33.55 million for the building (to be owned by the County and leased back to a private sector company), and the City/County will provide \$309,000 in match. The budget provided by the applicant shows that land acquisition and improvements, including completion of the building, would be achieved during calendar year 2027, assuming receipt of a Triumph award during this application cycle.

The applicant has agreed that at least 51 percent of revenues of the business occupying the site will be generated from sales outside the 8-County Triumph area. The private sector developer of the building will hold the clawback responsibility, with the SR BOCC committed to split evenly with Triumph any litigation cost should a clawback be necessary.

The application notes that the previous owner of the property had already obtained all necessary development permits, and two recent commercial appraisals have come in, with one supporting the proposed \$4.7 million expenditure for purchase of the site, and the other one coming in somewhat below that proposed price. Staff recommends that the Triumph Board not authorize funding in excess of the average of two commercial appraisals for the purchase of the site.

Dr. Harper concluded by stating that for the proposed commitment of 175 jobs and an award of up to \$7,191,000, the cost per job is \$41,091. At this cost per job, the ROI per dollar of Triumph spending is expected to be \$20.6 with a total increment to regional household income of \$148 million. For these reasons, staff score this project as an “A.”

Chair Bear then welcomed Shannon Ogletree, Director of Santa Rosa Economic Development, and Santa Rosa County Commissioner Kerry Smith.

Commissioner Smith thanked Chair Bear Triumph’s consideration of this project. He said this project will be important for job creation in his district and noted that after 26 years of being away from the region, he moved back 10 years ago and noticed there were no jobs in the area for this type of distribution. He commented that he wanted to come before the Board today to show his support for the proposal.

Mr. Ogletree noted that over the past couple projects that Triumph has funded for Santa Rosa County, they have established a successful track record, starting with Whiting Aviation Park. Leonardo is now under construction, and they had the groundbreaking back in July. Footers are being poured now and hopefully vertical will be going up in the next two months. Ogletree mentioned that while he was recently in Philadelphia, he met with a supplier that is also considering the Whiting Aviation Park. He re-emphasized that without Triumph's funding for Whiting Aviation park, neither Leonardo, nor their suppliers, nor new future expansions would have ever occurred. Also, for the I-10 industrial park, Buffalo Rock, Hershey's Ice Cream, Damian's Ice Cream, and Lovell Government Services are all moving operations into that site. Between those four companies, they are looking at creating over 500 jobs. Additionally, as part of the Milton Interchange Park, which was the most recent project brought forth from Santa Rosa County, Cheney Brothers is now working to establish a 400,000 sq ft facility there that will create between 400-500 jobs at the site. Construction is wrapping up at Santa Rosa Industrial Park East, and there are two interested tenants. Mr. Ogletree concluded that all these signs show progress, and they are accomplishing what they set out do in the region. For this project, the 44-acre site, Bagdad-Garcon Point property is something the county desperately needs. They need space and available buildings. Other counties are reaching out to him with interest regarding what they have to offer in terms of ground space and property, because they are seeing the growth between Tallahassee to Birmingham, and over to New Orleans.

For this 44-acre site, they have had two appraisals. The first one came back at \$4,028,000, and the second appraisal came back at \$4.7 million, with an average of approximately \$4.3 million, and the county will step up and make up the difference between the selling price and the average of the two. This would be a county owned site, so they will go through a bidding process to make sure that the land, developer, and client are properly secured. They will also have a land lease agreement when making their improvements and hope to create, not just a model for spec building, but a funding model for economic development agencies throughout the region that can be replicated on a long-term basis.

Mr. Merrill made a motion to direct staff to move to term sheet negotiations. The motion was seconded by Mr. Trumbull. 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 the Chair moved forward to closing remarks.

Closing Remarks

Mr. Merrill commented that it was a great meeting. He thanked Franklin County for hosting the meeting, and opined that Apalachicola is a beautiful town and he enjoyed spending some time there.

Mr. Humphreys expressed similar sentiments. He commented that it is exciting to see the growth and revitalization of Mexico Beach and he is hopeful to see all the oysters coming back so they can have a good meal in 2027. He thanked Franklin County for their hospitality.

Mr. Trumbull also stated that it was a good meeting, and that he loves being in Apalachicola – he has an office there and comes often to eat oysters.

Mr. Corr was amazed by the long list of interesting projects on the agenda. He commented that he is curious to see what the clawback provisions look like on the 44-acre lot for the spec building and concluded by thanking everyone for staying until the end of the meeting.

Mrs. Weiss expressed her gratitude for the opportunity to be there. She is excited for all the great projects ahead, and especially for the FSU project. She concluded by thanking Franklin County for hosting the Board.

Mr. Henderson apologized that he could not be present in person at the meeting and stated that he looks forward to the next one.

Chair Bear thanked the staff for their consistent extraordinary work. He thanked Commissioner Ricky Jones and Mayor Brenda Ash for hosting the Board today in the Franklin County Court Annex, and all participants and attendees. In closing, he recognized former state representatives Jayer Williamson and Clay Ingram, and thanked them for their attendance at today's meeting.

There being no further business, the meeting was adjourned at 1:04 PM.