

Triumph Gulf Coast, Inc.
MyFloridaTriumph.com

Matthew Coughlin
Interim County Administrator
Escambia County
221 South Palafox Place
Pensacola, FL 32502

June 19, 2019

Dear Mr. Coughlin:

Thank you for submitting an application for funding to Triumph Gulf Coast, Inc. We appreciate your time and effort and your commitment to creating a better Northwest Florida.

As you may know, Triumph Gulf Coast has received many more requests for funding than can be supported with the resources available to us. Unfortunately, after a thorough review by our professional advisors, it does not appear that your proposal meets our purposes and requirements for substantially improving the economy of the eight counties disproportionately affected by the Deepwater Horizon Oil Spill.

We are required by law to score each application as to its likely return on investment and potential for diversifying and enhancing our regional economy. Proposal # 11, "Escambia County Downtown Sports Complex", was scored as a C based on the economic impact information provided in the application.

Proposals with a score of C, D, or F will not be recommended to our Board of Directors. There is no certainty that all A and B scored proposals will be funded.

The Escambia BOCC has requested \$25 million in Triumph funding over a five-year period. The proposal notes that this request is 31 percent of the total project cost of \$80 million. The remaining \$55 million is identified as coming from private sources.

The economic impact summary done by Crossroads Consulting Services estimates that the project would generate a total of 560 to 660 net new jobs, including direct, indirect, and induced jobs, primarily in leisure and hospitality. This job creation will flow from 192 – 231 events held over 285 – 343 event days per year. While the Crossroads study uses the widely accepted IMPLAN model, neither of their reports identifies the direct jobs created, and instead report jobs numbers only in terms of total (i.e., direct, indirect, and induced jobs). The Triumph Board has traditionally considered cost per direct job. Depending on their sector specific inputs, it is likely that the ratio of total jobs to direct jobs is on the order of 1.5, so that the number of direct jobs is from 367 to 440, if the Crossroads assumptions are correct.

The Crossroads study reports total earnings resulting from the installation of this new asset. Dividing total earnings by their reported total jobs finds that wages for these new jobs are expected to be in the \$27,727 to \$28,036 range per job. EFI reports that the most recent average annual county wage for Escambia was \$42,118. Thus, these jobs on average pay only about 2/3 of the average county wage. For the requested funding, the average cost to Triumph per direct job would be between \$56,818 and \$68,120.

Taking the midpoint in the range of estimated total number of direct jobs, projecting the average wages forward, and discounting them back to present money value yields an estimated increment to personal income of \$8.7 dollars over a 10-year window, or \$14.7 over a 20 year window, per dollar of Triumph cost.

These jobs are thus more expensive than others than Triumph has funded, and these jobs would pull down the County average wage. Further, the amount of benefit per dollar of Triumph cost is relatively low.

We appreciate your participation and welcome any future proposals that more closely fulfill the purposes and requirements of Triumph Gulf Coast.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Skelton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Susan Skelton
Executive Director