

## Application Score Sheet

Proposed Project: Escambia County Board of County Commissioners, Downtown Pensacola Sports Complex and Event Venue (#11)

Proposed Project/Program County: Escambia

Board of County Commission Support: Yes

Total Projected Project Cost: \$80,000,000.00

Match Provided: \$55,000,000.00

Triumph Funds Requested: \$25,000,000.00 (31%)

Triumph Funds Recommended: \$0

Score: C

ROI: 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.

Triumph Board Approval: N/A

Date: June 10, 2019

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### **Economic Impact Analysis and Score**

The Escambia Board of County Commissioners 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. Private sector partners include Pensacola Area Development Partners (PADP).

Specific components of the project are described in the Project Summary below. 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.

For these reasons, staff score this project as a “C” and do not recommend further action by the Triumph Board at this time.

### **Project Summary (based on information provided by the applicant)**

The Escambia County Board of County Commissioner has requested \$25,000,000 in Triumph Gulf Coast grant funds for the construction of the Downtown Pensacola Sports Complex and Event Venue. The sports complex is proposed as a Public Private Partnership between Escambia County and Pensacola Arena Development Partners (PADP). PADP has proposed to design, build, finance, operate and maintain a sports tourism and event center mixed-use development located within Escambia County.

The proposed project would be comprised of a sports tourism field house of approximately 100,000 square feet; a multipurpose event and conference center with seating capacity of approximately 8,000; a community ice rink facility for youth hockey and sports tourism activities; a Sports Museum inside the facility; and associated private development including a hotel with approximately 120 rooms, mixed-use retail, office space, and associated parking.

The sports complex and events center would replace the Bay Center facility constructed over thirty years ago. The new facility would operate more efficiently and be designed to provide for a wide range of entertainment options that the current facility cannot including become the new home for the Pensacola Ice Flyers Hockey Team. The new complex may also become home to a NBA Development League (“G League”) basketball team.

The proposed project grew out of a feasibility study undertaken by Crossroads Consulting Services (“Crossroads”), on behalf of Escambia County and Pensacola Sports Association. The study was updated in February 2018 at the request of Visit Pensacola. The study found a significant deficiency within the region for sports tourism related activities and recommended the development of a field house which would accommodate multiple sports and provide significant economic benefits for the City of Pensacola and Escambia County.

The Crossroads Study indicated that Escambia County could expect to realize more than \$30 million in economic impact each year from sports tourism and conferences. In addition, the study estimates some 560 new jobs would be created and more than 59,000 hotel night stays would be expected annually.

Studies of similar facilities completed in other markets show that the multipurpose events center project will bring to the County an estimated additional \$12 million to \$15 million of annual economic growth.

The sports complex and event center are proposed to be part of a master planned pedestrian friendly development, emphasizing walkability from Pensacola's downtown core and throughout the development site. The design and layout would focus on achieving a district that combines modern office, residential, dining, shopping and entertainment options within the district. The concept seeks to reduce the individual need for motorized transportation within the entertainment district, and from the district to downtown, as well as promote alternative methods of sharing transportation. The master plan goal would be to create a compelling and highly-sustainable sports, technology, entertainment, business, cultural and education district that would connect to the downtown core of the City of Pensacola and accelerate growth and development throughout the region.

The Downtown Sports Complex development project would work closely with the University of West Florida as well as local school districts to provide opportunities for students. The inclusion of smart city infrastructure is expected to highlight the field house and event venue as a hotspot for technology conferences, research exhibitions and support for the growth of IT and cybersecurity industry and UWF programs.

Other opportunities include part time employment for students in the sport, entertainment, hospitality and restaurant business; new facilities to promote athletic practices and competitions, graduations/convocations and industry Career Fairs, Science and Art Fairs, etc.

Additionally, the Pensacola Bay Center served as an evacuation center for Hurricane Irma evacuees. The new facility will be designed and utilized as an evacuation center for natural and manmade disasters capable of supporting critical operations and shelter for 5,000 people or more for a minimum of two weeks. Design will include an energy analysis to properly size mechanical and electrical infrastructure and evaluate alternative energy supplemental options, such as solar. This could help turn the project into a cleaner and more resilient community shelter in the event of a disaster.

The project is proposed as a long-term public-private partnership with County ownership of the land throughout the term and the facilities upon conclusion of the underlying improvements lease. The facilities will be unique with respect to their flexibility for sports, meetings, convention center, concerts, etc. and with respect to the ease and efficiency of switching between such uses (e.g. from hockey to basketball).

Under the Public Private Partnership scenario proposed, PADP would provide all construction capital, management, operation and life cycle maintenance. Escambia County would provide annual lease payments to PADP over the lease period for the public facilities until the debt is paid at which point the facility will revert to the County. Revenue will be generated from event and venue fees and Escambia County bed tax to repay PADP and pay for future facility operations, maintenance, and capital improvements.

**Funding and Budget (as provided by the applicant)**

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

**A. Project/Program Costs:**

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction:	\$52,800,000.00
Reconstruction:	
Design & Engineering:	\$3,000,000.00
Land Acquisition:	County Owned
Land Improvement:	\$1,200,000.00
Equipment:	\$7,000,000.00
Supplies:	\$1,000,000.00
Salaries:	
Fees & Interest:	\$15,000,000.00

**Total Project Costs: \$80,000,000.00**

**B. Other Project Funding Sources:**

Private Sources:	\$55,000,000.00
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**Total Other Funding \$55,000,000.00**

**Total Amount Requested: \$25,000,000.00**

**Letters of Support**

- Escambia County Board of Commissioners
- City of Pensacola
- Visit Pensacola
- Pensacola Tourist Development Council
- Pensacola Sports
- Pensacola Direct Marketing Organization
- Pensacola Ice Flyers
- Emerald Coast Ice Hockey League
- Northwest Florida Hockey League/Pensacola Junior Ice Flyers - Youth Ice Hockey Non-Profit Organization
- ACTION Indoor Soccer