

Application Score Sheet

Proposed Project: Pensacola-Escambia Promotion and Development Commission (PEDC),
Project Arbor (#280)

Proposed Project/Program County: Escambia

Board of County Commission Support: June 16

Total Projected Project Cost: \$5,000,000

Match Provided: \$3,500,000

Triumph Funds Requested: \$1,500,000 (43%)

Triumph Funds Recommended by Staff: \$1,500,000

Score: A

ROI: \$38.3 in additional personal income per Triumph Gulf Coast dollar

Economic Impact Analysis and Score

The PEDC is partnering with FloridaWest EDA in this application to acquire and renovate a 37,000 sq. ft. facility at the Marcus Point Commerce Center that will allow a leading company that provides IT hardware services to businesses in aviation, finance, insurance, medical, and other businesses, including federal agencies and DoD. It is envisioned that this location will be the southeastern regional headquarters for the multiple southeastern locations of this national firm and will eventually become the national headquarters.

The Triumph request of \$1.5 million represents 43 percent of the \$3.5 million total project cost, including both building purchase of \$3.2 million and renovation expense of \$200,000. PEDC will maintain ownership of the facility and enter into a long-term lease with the company. Importantly, a total of 12.8 acres will be available for this project and for expected future growth and development.

The 72 net new manufacturing jobs will pay an average of 118 percent of the most recent EFI-specified average wage for Escambia County and will provide a complete fringe benefits package. It is anticipated that the job creation commitment will be met by the end of the third year following completion of the building construction and improvements and that these jobs will then be maintained for at least three additional years.

For a job guarantee of 72 jobs and an award amount of \$1,500,000, the cost per direct job to Triumph Gulf Coast is \$20,833. This is somewhat below the average cost per job for higher wage jobs relative to other infrastructure programs approved for potential funding by the Board.

It is expected that the increment to personal income in the region attributable to the project will be as much as \$57.5 million over a 10 year job maintenance period following completion of the improvements and associated employment ramp-up. This represents \$38.3 in additional personal income per Triumph Gulf Coast dollar requested.

For these reasons, staff score this program as a “A.”

Project Summary (based on information provided by the applicant)

The Pensacola-Escambia Promotion and Development Commission (PEDC) is requesting a Triumph grant of \$1,500,000 to win the new regional headquarters and production site of competitive Project Arbor. The grant will be used by the PEDC to support the acquisition of an existing 37,000 square foot facility in the Marcus Point Commerce Center that will be leased to the company. Project Arbor, a certified advanced technology asset disposition and refurbishment company, has committed to creating at least 72 high wage jobs that pay an average wage exceeding 115% of the current Pensacola MSA average wage.

Project Arbor provides quality, advanced electronic and information technology asset disposition and refurbishment that includes innovative testing and electronics validation, significant investment in their employees and high wages. The company has gained clients across a wide range of business sectors over their 30 years in business and continues to value keeping their existing customers, while growing into new business services.

The company has eight locations across the U.S. serving major Fortune 500 companies in aviation, finance, insurance, medical, rail, original equipment manufacturing (OEM), as well as government agencies and Department of Defense. The company also maintains ISO certification, HIPPA compliance, ITAR registration and GSA schedule holder credentials.

“*Headquarters*” is a primary target industry for the State of Florida as a whole and highly sought for its ability to positively impact economic growth and raise the standard of living for residents. While there are fewer headquarters operations across Northwest Florida, those that are here are extraordinarily diverse spanning aviation, business services, electronics, finance, information technology, life-sciences, and manufacturing with products and services produced locally that are exported nationally and internationally. This wide range of productivity fuels innovation and trade, making headquarters an extremely valuable component to the region’s economy.

The establishment of headquarters projects like Project Arbor have the capacity to be both differentiating and transformational for the regional workforce in elevating the foundation of electronic and information technology and management occupations providing greater opportunities for residents of the community and region. “*Headquarters*” provide diversified employment opportunities and helps distribute additional demand for goods and services across a wide variety of sectors, which also supports quicker economic recovery in times of turmoil as with the BP oil spill, natural disasters, Covid- 19.

Project Arbor’s headquarters and electronic and information technology project crosses sectors and directly aligns with Pensacola-Escambia County and Florida’s leading target industry attraction and retention job growth goals. Enterprise Florida (EFI) notes, “Florida is home to the third largest tech industry in the United States, with 34,261 establishments and 272,548 jobs. Further, Florida’s robust infrastructure, diverse talent pool, pro-business climate, competitive cost of doing business and streamlined regulatory environment makes it one of the best places for corporate headquarters in the United States. Major international and domestic organizations

spanning every industry — from banking to food markets to aerospace and defense — have headquarters based in the state.”

The proposed headquarters and its electronic related jobs require high-skilled employees. The positions incorporate a combination of information technology and advanced electronics including compliance, legal, logistics and operational professionals with additional capabilities and security clearances.

The Project Arbor \$3.5 million matching funds include \$3.3 million to acquire an existing former call center facility and renovations estimated at \$200,000. PEDC will acquire the facility as a publicly owned asset to facilitate Project Arbor’s job creation and leverage the private sector capital investment. Project Arbor will undertake the necessary build-out construction activities at the facility. The existing building will be renovated to meet the company’s needs as a regional headquarters and electronic refurbishment center. The 12.8 acre site will allow the company to make future expansions in Pensacola including a possible 40-60,000 square foot warehouse that could employ an additional 50-60 associates.

Consolidation of large customer service related job centers and remote work options have taken place across the country prior to and during Covid-19. This has resulted in several available customer service operation centers including the Marcus Point facility in Pensacola which has been vacant for almost 2 years.

Growth of the advanced headquarters/electronic and information technology sector is critical to maintaining the competitiveness and long-term vibrancy of Northwest Florida’s economy. Triumph investments enhance the region’s ability to attract talent and provide a wide range of occupational opportunities to keep students, professionals of all ages, exiting military and their spouses interested in remaining in Northwest Florida. Project Arbor’s headquarters/electronic and information technology proposal is an excellent fit for the community.

Northwest Florida has assets that fully support growing the cluster of companies within the information and electronics industry category including the regional postsecondary programs linked to information/cyber security, and technology that heavily influence the workforce pipeline. According to EFI, the state recognizes that “nothing is more important to a company’s success than its workforce and our universities are among the nation’s top producers of STEM graduates.”

CareerSource Escarosa will help assemble workforce training resources as the company develops its specialized training plans and internship opportunities. Education partners including Pensacola State College, Escambia County Schools and University of West Florida will actively engage with their assistance programs.

Success and impacts of Project Arbor to Pensacola-Escambia County, and the surrounding communities will be measured by net new job creation, the average wages of the new positions, overall capital investment of the project and the annual payroll increase for the community.

The Pensacola Escambia County Promotion and Development Commission is the economic development authority for Escambia County, a special district of the State of Florida, whose purpose is to promote industry and commerce in Escambia County and the municipalities therein. PEDC promotes economic development, job creation, workforce development, enhancement of the economic environment, expansion of the tax base, enticement of industry and other business to the area, acquisition, lease, and construction of facilities. The PEDC has a contractual relationship with FloridaWest EDA, the community's sole economic development organization, whose purpose is to grow economic prosperity in the greater Pensacola, FL area.

Exhibit A

Project Name and Number

ARBOR #280

Budget

Estimated construction start date if applicable

Estimated education component start date if applicable

		Facility	Renovation/ Facility Modification	Total
Project Total				
	2022	3,300,000.00	200,000.00	3,500,000.00
Project Total		<u>3,300,000.00</u>	<u>200,000.00</u>	<u>3,500,000.00</u>
Triumph				
	2022	1,500,000.00		1,500,000.00
Triumph Total		<u>1,500,000.00</u>	<u>-</u>	<u>1,500,000.00</u>
Match Funding				
	2022	1,800,000.00	200,000.00	2,000,000.00
Grantee Total		<u>1,800,000.00</u>	<u>200,000.00</u>	<u>2,000,000.00</u>