

Application Score Sheet

Proposed Project: City of Pensacola, American Magic (#315)

Proposed Project/Program County: Escambia

Board of County Commission Support:

Total Projected Project Cost: \$49,100,000

Match Provided: \$40,600,000

Triumph Funds Requested: \$8,500,000

Triumph Funds Recommended by Staff:

Score: A

ROI: \$33.5 in additional personal income per Triumph Gulf Coast dollar requested

Economic Analysis, Impact and Score

The City of Pensacola is recruiting American Magic, the America's Cup racing project of the New York City Yacht Club, to locate its manufacturing and headquarters facilities at the Port of Pensacola. Triumph funds are proposed to help complete construction and expansion of Warehouse 10, which would house manufacturing of hulls and sails, as well as associated staff, for the most technologically advanced sailing craft in the world. It is also planned that the facility can manufacture technologically sophisticated hulls for other uses. The project will create 170 net-new high wage sustainable jobs (150 employed by the American Magic facility, and 20 other port-dependent jobs) and have a total capital investment in excess of \$49 million. These jobs will pay an average of \$105,000 per year.

The Triumph staff analysis is based on a proposed award amount of \$8,500,000 from Triumph to partially fund design, renovation and finish out of the partially completed Warehouse 10 at the Port of Pensacola, to include a 50-foot addition, and design and construction of a dock and boat ramp. It is expected that the total construction and related improvements will total \$49.1 million, so that the Triumph investment would represent 17.3 percent of total project cost.

The project is expected to bring a supply chain of sophisticated and high-wage activities to locate in the region. As an example, American Magic recently entered a teaming agreement with the Florida Institute for Human and Machine Cognition (IHMC), to provide research focusing on improving human performance in a variety of environments. Specifically, the American Magic collaboration is focused on increasing the team's ability to produce data displays to efficiently acquire and present the information needed to optimize actions taken on the racecourse.

For a job guarantee of 170 jobs and an award amount of \$8,500,000, the cost per direct job to Triumph Gulf Coast is \$50,000. This is the highest cost per job that staff has recommended to the Board, but the project also has among the highest earnings per job in our project portfolio. The high visibility of the America's Cup racing activity is likely to spur substantial additional tourism activity in the region.

It is expected that the increment to personal income in the region will be approximately \$285 million over a 10 year job maintenance period following completion of the improvements and associated employment ramp-up. This represents \$33.5 in additional personal income per Triumph Gulf Coast dollar requested.

For these reasons, staff scores this project as an “A.”

Project Summary (based on information provided by the applicant)

The City of Pensacola is requesting an \$8,500,000 Triumph grant to complete infrastructure construction at the Port of Pensacola for the recruitment of Bella Mente Quantum Racing Association’s (American Magic) Headquarters. The funds will be used for the design and renovation to finish a partially completed warehouse 10 at the Port of Pensacola. The warehouse was never completed, and engineering inspections have determined that the building is structurally sound. Once expanded and completed it will meet American Magic’s needs.

With a goal to win the America’s Cup, American Magic is developing a pathway for a generation of engineers, boatbuilders and technicians to enhance the marine industry in the United States. Buildout of the facility will allow American Magic, which has utilized the Port of Pensacola on a temporary, seasonal basis, to permanently relocate their training and boat building facility to the Port of Pensacola. American Magic’s plans include creating a center for developing sailing and sail racing in the United States bring highest level, marquis sailing events to Pensacola.

The relocation will create 170 jobs with an average wage of at least \$105,000 in the advanced manufacturing, engineering and research and development (R&D) sectors. Job creation will be a mix of American Magic jobs as well as port or port related jobs.

The City of Pensacola will retain ownership of the land, facility and associated infrastructure and lease the warehouse to American Magic. The project includes the design and construction of a 50-foot dock and boat ramp for American Magic and other Port tenants. A Florida Seaport Transportation and Economic Development (FSTED) grant will fund approximately 75% of the Dock and Boat Ramp with Triumph or Governors Job Growth Grant Funds (GJGGF) funding the remainder of the cost. In addition to project matching funds totaling \$43,000,000 the TDC has contributed \$1.5M in grant funds to the project.

This project seeks to firmly establish the Port of Pensacola and the State of Florida as a premier location for cutting-edge watercraft/boat-building innovation on a global scale and bring associated jobs in the water transportation cluster. The water transportation cluster is identified as one of the region’s five target clusters by the NW Florida Forward report.

The Deepwater Horizon oil spill caused lower levels of economic activity in the region’s maritime sector, while creating substantial waves in tourism and the supply chain. This project proposes to restore vitality and some of what was lost by building on the success of American Magic as both a manufacturer and an international tourism driver.

This proposal supports the re-activation of waterways and maintenance of the region's environment, both necessary for vibrant coastal communities. This will be accomplished by safeguarding core maritime infrastructure and activities while engaging underutilized land and waterfront assets into new pursuits, inclusive of science, technology, education, research, business, and other complimentary uses. Significant sailing activity will add dimension to the regional economy that will complement the emerging sector of advanced boat building.

Future proofing port operations with a diverse mix of specialized cargo, waterside and inland transportation connections supporting cargo loading and unloading, as well as adding a unique tenant mix is necessary for regional job growth. Adding innovative companies to the port's existing tenant mix will broaden capabilities, welcome new commercial activity, and expand incrementally to meet new market, trade, and maritime commercial activities.

The project meets community goals set in the Portside Vision Plan moving the Port of Pensacola forward as the premier location for high-performance technology and innovation in the maritime space. The American Magic recently entered into an agreement with Pensacola's Institute for Human and Machine Cognition (IHMC) for IHMC to provide research on improving human performance in a variety of environments. The collaboration focuses on increasing the team's ability to produce data displays which enable sailors to efficiently acquire the information they need to make the best decisions possible on the racecourse. The organization is also interested in teaming with UWF and others focused on advanced performance and aerodynamic design and engineering.

This is a unique endeavor in the United States and an opportunity for the region to take center stage in the maritime high-performance space using natural resources – wind and water. The project will activate Pensacola Bay adding regattas and global events in addition to traditional cargo and recreational vessels.

The Census Bureau reports the 2020 median household income in the Pensacola MSA was \$56,507, compared to Florida at \$59,227 and the U.S. at \$65,712. The wages for this project far exceed the national average wage.

BUDGET (attached below)

Exhibit A
American Magic at the Port of Pensacola
 Project 315

Oct-23

		Renovation, Construction & Equipment	Lease Payments	State &/or County Tax Incentives	Category #4	Total
Please change year # to actual year						
Project Total						
	2022	3,200,000.00			-	3,200,000.00
	2023	3,500,000.00	-	-	-	3,500,000.00
	2024	8,500,000.00	-	-	-	8,500,000.00
	2025	33,900,000.00	-	-	-	33,900,000.00
Calendar Year 5		-	-	-	-	-
Calendar Year 6		-	-	-	-	-
Calendar Year 7		-	-	-	-	-
Calendar Year 8		-	-	-	-	-
Calendar Year 9		-	-	-	-	-
Calendar Year 10		-	-	-	-	-
Calendar Year 11		-	-	-	-	-
Calendar Year 12		-	-	-	-	-
Project Total		49,100,000.00	-	-	-	49,100,000.00
Triumph						
	2022					-
	2023	2,000,000.00				2,000,000.00
	2024	6,500,000.00				6,500,000.00
	2025					-
Calendar Year 5						-
Calendar Year 6						-
Calendar Year 7						-
Calendar Year 8						-
Calendar Year 9						-
Calendar Year 10						-
Calendar Year 11						-
Calendar Year 12						-
Triumph Total		8,500,000.00	-	-	-	8,500,000.00
Grantee						
	2022	3,200,000.00				3,200,000.00
	2023					-
	2024					-
	2025					-
Calendar Year 5						-
Calendar Year 6						-
Calendar Year 7						-
Calendar Year 8						-
Calendar Year 9						-
Calendar Year 10						-
Calendar Year 11						-
Calendar Year 12						-
Grantee Total		3,200,000.00	-	-	-	3,200,000.00
American Magic Capital Investment						
	2022					-
	2023					-
	2024					-
	2025	32,000,000.00				32,000,000.00
Calendar Year 5						-
Calendar Year 6						-
Calendar Year 7						-
Calendar Year 8						-

Calendar Year 9					-
Calendar Year 10					-
Calendar Year 11					-
Calendar Year 12					-
Match Source 1 Total	32,000,000.00	-	-	-	32,000,000.00

Other Grant Funding Sources (GJGGF & FSTED)

	2022				-
	2023	1,500,000.00			1,500,000.00
	2024	2,000,000.00			2,000,000.00
	2025	1,900,000.00			1,900,000.00
Calendar Year 5					-
Calendar Year 6					-
Calendar Year 7					-
Calendar Year 8					-
Calendar Year 9					-
Calendar Year 10					-
Calendar Year 11					-
Calendar Year 12					-
Match Source 2 Total	5,400,000.00	-	-	-	5,400,000.00