DRAFT

City of Pensacola

Pensacola Convention Center Analysis

MARCH 9, 2026

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Glossary

Term	Definition
Avg.	Average
Bn	US$ Billion
Bps	Basis points
Chg.	Change
City	City of Pensacola
County	Escambia County
CVB	Visit Pensacola/Chamber of Commerce
DBB	Design-Bid-Build
DBFOM	Design-Build-Finance-Operate-Maintain
DMO	Escambia County Destination Marketing Organization
ECP	Northwest Florida Beaches International Airport
EDA	Federal Economic Development Administration
FDOT	Florida Department of Transportation
FOMC	Federal Open Market Committee
FPL	Florida Power Ltd.
FDOT	Florida Department of Transportation
FY	Fiscal Year
GDP	Gross Domestic Product
Mn	US$ Million
MOB	Mobile's international and regional (MOB) airports

Term	Definition
P3	Public-Private Partnership
PBC	Pensacola Bay Center (formerly Civic Center)
PEDC	Pensacola-Escambia Development Commission
PNS	Pensacola Int'l Airport
Project	Evaluation of Development options
RevPAR	Revenue Per Available Room
SIS	Florida's Strategic Intermodal System
Site	Parcel ID: 000S009007002073 Parcel ID: 000S009007001069 (partial)
Survey	Resident Survey administered between February 11-20, 2026
TDT	Tourism Tax Dollars
Tech Park	Technology Park
TIFIA	Transportation Infrastructure Finance and Innovation Act by Build America Bureau
USDOT	US Dept. of Transportation
VPS	Destin–Fort Walton Beach Airport
USDOT	US Dept. of Transportation

Letter of Transmittal

Anna Kate Baygents
Assistant Economic Development Director
City of Pensacola
222 W. Main Street
Pensacola, FL 32502

Dear Anna Kate,

WT Partnership (WT) has completed our services in lieu of proposal to assist the City of Pensacola (City) in assessing the feasibility and conceptual framework for development of the Site.

This report encompasses the findings and recommendations regarding the Site development (the "Project"), resulting from our execution of the limited statement of work. In the course of conducting the research, our team collected relevant data and performed a series of analytical assessments to inform our findings. We also engaged in multiple meetings and telephonic discussions with representatives of the City, as well as with key stakeholders. Additional information was obtained from publicly accessible sources available at the time of publication and, where feasible, is referenced throughout this document and in the Appendix.

The recommended conclusions and proposed next steps outlined herein will require further work to validate certain aspects of the report. Successfully delivering a project of this scale will necessitate coordinated contributions from subject-matter experts across several professional disciplines.

We affirm that the information presented in this report accurately reflects the current circumstances surrounding the Project. The contents of this document are intended to guide the City's future planning efforts and to enhance understanding of the challenges and opportunities associated with the Project.

This report has been prepared exclusively for the City's use. It should not be relied upon by individuals or entities that have not assumed responsibility for determining whether the procedures employed are appropriate for their intended purposes. No party other than the Client is authorized to use this report or the data contained herein without the Client's express consent. Furthermore, no party should rely on the information in this report when making management or financial decisions without obtaining additional professional support.

It has been our privilege to work with the City on the preparation and development of this report.

Yours Sincerely,

DRAFT

Disclaimer

WT and its Partners have completed our analysis of future opportunities for convention center development in Pensacola. The attached report presents the results of our research, analysis, and findings, and is intended to assist you and your stakeholders in evaluating future options. The analyses presented in this report are based on estimates and assumptions, as well as information provided by various stakeholders. The sources of information and the basis of assumptions, estimates, and forecasts are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The findings presented are based on analysis of present and near-term conditions in the Pensacola area. Any significant changes in the characteristics of the local community, such as change in population and/or competitive facilities, could materially impact conclusions developed in this study. As in all studies of this type, any estimated results are based on competent and efficient management of the facility and assume that no significant changes in the event markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct. Neither Stone Planning LLC, its managers, members, officers, employees, agents nor representatives makes any representation or warranty, expressed or implied, as to the accuracy or completeness of this report or any of its contents, and no legal liability is assumed or is to be implied against any of the aforementioned with respect thereto. This report does not purport to contain all of the information that may be required to evaluate all of the factors which would be relevant.

This report has been prepared for use by the city and its stakeholders. The report has been structured to provide analysis and estimates to provide information to help evaluate future scenarios. Stone Planning LLC does not expect to, and assumes no obligation to, update or otherwise revise this report or any information contained herein.

Executive Summary

Empowering
growth.

Executive Summary

Purpose

The City engaged WT as the prime consultant to evaluate the feasibility and conceptual framework for development on the Site (comprised of two lots, located on 201 E. Gregory St Pensacola, and 9th Ave at Greogry, Pensacola, adjacent to the Pensacola Bay Center, PBC).

WT managed and delivered the full scope of work, integrating market and economic analysis, feasibility testing, concept-level site and facility planning, and implementation strategy into a cohesive assessment that will guide the City's redevelopment decisions and support future engagement with Escambia County (County) and potential private partners.

Context of Study

The report is intended to provide a foundation for determining the viability of a new convention center facility and its role in strengthening Pensacola's tourism economy, broader economic base, and downtown vitality. The analysis also entails studying other potential uses for the site, including a second ice rink and an indoor sports facility.

To support specific components of the assignment, WT has utilized two specialized partners:

- Stone Planning LLC brings expertise in the planning of public-assembly venues such as convention centers, arenas, stadiums, and entertainment facilities.
- Perkins & Will contributes multidisciplinary design capabilities, including extensive experience with convention and event centers that serve as community anchors and catalysts for urban growth.

Report Structure

This report is structured as a foundational analysis for a new Convention Center through the preliminary program, site planning, and infrastructure considerations that shape the proposed development. The report should be read in order, as each section builds logically on the last, moving from why the study is needed, to what the analysis reveals, to how the City can use this information to make informed decisions about long-term redevelopment. This reports focuses on the following:

- An overview of economic trends in the US, Florida, Escambia and Pensacola
- An analysis of the PBC, Hilton Pensacola and other selected events venues in the region. Additionally, an appendix detailing a high-level analysis of the facilities, their amenities and sq. footage, financials (where possible), is included.
- A deeper dive into three other out-of-state facilities that are similar in structure to what Pensacola could do, in part due to waterfront features or arena/convention center combinations.
- A summary of feedback provided by a wide range of local and industry stakeholders and insights from the resident public survey.
- Conclusions including development options, pathways to development and guidance project structuring and attracting private investment.
- Recommendations for next steps.

This executive summary provides an overview of the analyses, research, and conclusions that appear in the full report.

Executive Summary

Project Background and City Objectives

The City is exploring how to transform the Site into a more vibrant and economically active part of downtown by evaluating the potential for a new Convention Center and related improvements. This study aims to clarify redevelopment opportunities, address infrastructure and connectivity challenges, and build a vision that supports tourism, public engagement, and long-term growth. The 6.86-acre site, currently used as parking, sits next to key properties like the PBC, the Grand Hotel and Tech Park, all of which play a role in shaping future development.

Economic Update

The U.S. economy is moving through a fragile and uneven recovery as high-income households remain relatively resilient while middle- and lower-income families show signs of strain. Tariffs continue to push prices higher in key sectors, adding inflationary pressure that interest rate cuts cannot easily offset.

Business confidence has slipped, with CEOs and small business owners alike expressing caution amid persistent inflation, tighter credit, and geopolitical uncertainty.

Labor market data shows slowing job creation and weakening demand, compounded by stalled labor force growth and immigration policies that are tightening workforce availability in critical industries.

Looking ahead, GDP growth is expected to soften, with the Federal Reserve signaling only minimal rate cuts in 2026 and a modest economic rebound not anticipated until 2027.

The outlook points to slow growth, elevated uncertainty, and continued pressure on both businesses and consumers.

Florida enters 2026 with upward economic momentum, driven by rapid population growth, strong consumer demand, and low unemployment. Tourism reached a record 143.3 million visitors in 2025, while the defense sector, now the state's second-largest industry contributes over $102B annually and supports more than 865,000 jobs.

Northwest Florida, including Escambia County and Pensacola, is experiencing parallel strength. The Pensacola metro grew approx. 14% from 2015–2025, expanding the workforce and maintaining unemployment near 5.2%. Tourism generates roughly $1.4 billion annually, and defense activity accounts for nearly 20% of the local economy with over 31,600 jobs. Local priorities for 2026 include infrastructure funding, workforce development, and continued industry innovation to sustain the region's positive outlook.

Development Options

As Pensacola looks ahead to its next big investment, it is important to understand what each option could mean for the city with a focus on the economic impact. WT drew on existing market studies and current market trends to assess the impact on retail, restaurant, hospitality sectors. No tangible relationship exists between any of the proposed facilities and multifamily, single-family, or office sectors, therefore these sectors were excluded.

Executive Summary

Evaluation Criteria

- Potential Economic Impact

Anticipated funding into specific sectors such as impacts on hospitality (hotels), food & beverage and retail spending, the visitor profile (e.g. business travelers vs. families), and opportunities for private investment (such as hotel development or naming rights).

- Potential for Funding And Emerging Trends

The practicality of financing the project, considering capital cost, funding sources, and potential private investment. We assess if the project can be funded through tourist taxes, public bonds, grants, or public-private partnerships, and whether projected revenues cover operating costs. Options requiring heavy public subsidy with uncertain return rank lower on feasibility

WT's evaluation finds that a new multipurpose convention center offers the highest overall economic impact and year-round visitor boost, especially if paired with a full-service hotel, while an indoor sports complex promises strong returns in sports tourism (filling hotels during shoulder seasons) and local use. A standalone ice rink would provide niche benefits (hockey tournaments, recreation) but delivers the smallest tourism impact of the three.

We define the evaluation criteria, as assessing each option using a common rubric (broad economic impact, visitor spending, funding feasibility, with consideration of hospitality, F&B, retail, visitor profile, and private investment).

In addition to market impacts, this section examines relevant P3 models prevalent in the market, development risks, and the likelihood of attracting private capital across multiple scenarios.

- Stakeholder Engagement

The City's extensive stakeholder engagement spanning City and County leadership, tourism and business organizations, Pensacola Sports, hotel operators, Bay Center management, local institutions, and nearly 2,000 residents revealed a strong, unified message: Pensacola is ready for a strategic, catalytic investment at the Bay Center site, but success hinges on addressing foundational community and market needs.

Stakeholders overwhelmingly support transforming the Bay Center area into a connected, walkable district with improved mobility, parking, and integration with surrounding assets such as the Grand Hotel site and Tech Park Residents expressed divergent views on Sports & Ice Options with indoor sports received moderate support, with interest in its tourism potential but questions about downtown fit, and the Ice rink feedback was polarized with strong support but widespread concerns about cost and demand. Key findings from the survey are shared in this report the full survey attached as Appendix D.

Residents emphasized traffic solutions, better connectivity across 9th Avenue, green space, historic preservation, and ensuring any project benefits both visitors and locals. Every tourism and economic stakeholder reinforced the need for walkable hotel rooms.

Executive Summary

Options Analysis

Stakeholders see Pensacola as the Gulf Coast's most attractive mid-sized city destination given its downtown, beaches, cultural assets, and accessibility with a clear Gap in Regional Event Space.

Current local venues (PBC, Hilton Pensacola Beach) lack the ballroom, meeting room, and exhibit capacity needed to attract regional conventions and large corporate/military events and are on average at least 20% lower than other facilities regionally.

This section breaks down the potential economic impact of three core ideas:

- New Convention Center: Highest economic impact; fills a clear regional market gap (approx. 50,000 SF modern flexible space needed).
- Indoor Sports Complex: Strong youth sports demand, Sun Belt Championships secured through 2030.
- Ice Rink: Fills regional supply gap; strong community/anchor tenant demand but lowest tourism return and highest operating costs.

WT drew on existing market studies and current market trends to assess the impact on retail, restaurant, hospitality sectors. No tangible relationship exists between any of the proposed facilities and multifamily, single-family, or office sectors, therefore these sectors were excluded.

Sector Performance around 3-miles from Site

Hospitality: Stable leisure-driven demand; downtown occupancy approx. 73%, ADR $152. Hotel adjacency is critical to convention center performance.

Retail & Office: Retail steady but flattening; office weak with negative absorption, mixed-use or adaptive reuse preferred.

Multifamily: Oversupply easing; phased development recommended.

Tourism: 2.6M annual visitors, strong drive market (82% arrival by car), PNS growing to 1.8M passengers by 2031.

Revisiting Stakeholder and Resident Feedback

Broad support for a new convention center and hotel-connected development. Mixed reactions to the ice rink and neutral for indoor sports. Top concerns included traffic, hotel proximity, connectivity, green space, and avoiding underutilization. Strong desire for balanced, community-enhancing growth.

Funding and Financing Overview

While exceptions exist, generally convention centers typically do not attract private financing because they do not generate sufficient standalone revenue to support private-sector returns or debt payments. WT provided an overview of delivery and financing strategies that could reduce the City's upfront costs or identify indirect revenue streams capable of offsetting long-term obligations. Utilizing TIFIA credit assistance provides a strong pathway for the City to access low-cost, long-term federal financing even without direct project revenue. TIFIA allows repayment to be supported by broader indirect revenue sources (such as hotel occupancy taxes or sales tax increments). A complementary Transit-Oriented Development (TOD) strategy strengthens the broader development ecosystem surrounding the convention center. TOD financing supports hotels, retail, office, entertainment, and other mixed-use elements that generate revenue and increase land value.

Executive Summary

Local and Regional Facilities

The Gulf Coast region features a diverse and competitive ecosystem of convention, meeting, and sports facilities. These venues shape Pensacola's competitive landscape and reveal clear opportunities for strategic differentiation. Several nearby markets offer sizable event infrastructure:

PBC and Hilton Pensacola (Pensacola, FL): Both serve as current options and fall short of hosting large events. The PBC offers an arena with seating for up to 10,000 attendees and amenities that include exhibition space, meeting rooms, and in-house catering services. The Hilton Pensacola Beach utilizes hotels next door to accommodate larger groups and still falls short of hosting large events.

Destin–Fort Walton Beach Convention Center (Fort Walton Beach, FL): A highly utilized regional facility offering 25,000 SF of indoor space and 30,000 SF outdoors, supported by approx. 1,000 walkable hotel rooms.

Boardwalk Beach Resort Hotel & Convention Center (Panama City Beach, FL): A private beachfront property with 40,000+ SF of indoor/outdoor space and strong appeal for social and leisure-driven events. Revenue swings linked to food and beverage performance indicate a less stable convention product.

Sandestin Golf & Beach Resort (Miramar Beach, FL): A self-contained resort destination offering 50,000+ SF of event space across two centers (Linkside and Baytowne), integrated with lodging, golf, and entertainment. Sandestin competes on destination amenities, not urban connectivity.

Arthur R. Outlaw Mobile Convention Center (Mobile, AL): The region's largest competitor, with 100,000 SF of exhibit space, robust ballroom capacity, and a new 10,000-seat arena opening in 2027.

Foley Event Center (Foley, AL): A 90,565 SF indoor sports venue plus 16 outdoor fields, acting as a powerhouse for youth sports tourism in the region.

The Lodge at Gulf State Park (Gulf Shores, AL): A unique state-owned, sustainability-focused Hilton property with 40,000 SF of meeting space and 350 rooms on the Gulf. Facility serves as a competitive option for retreats and environmental/academic events, but not designed for large, multipurpose conferences.

Perdido Beach Resort (Orange Beach, AL): A coastal resort with 32,000 SF of indoor meeting space and 14,000 SF outdoors, catering primarily to social events and regional associations. Serves the leisure-driven meeting segment.

Across all regional competitors, several consistent themes emerge:

- Hotel adjacency is the differentiator.
- Markets like Destin and Mobile outperform not because of superior facilities, but because hotel access is immediate and walkable.
- Flexible, modern space is in short supply.
- Most peers are either resort-based (Boardwalk, Sandestin) or lack walkable urban districts (Mobile, Foley)
- Facilities either skew too small (PBC, Perdido) or too large/expensive

Executive Summary

Key Takeaways based on Regional and Comparative Facilities

Successful execution hinges on:

- Hotel integration
- Phased mixed-use planning
- Stakeholder alignment
- Potential federal funding (TIFIA/TOD) and P3 structures can offset capital burden
- Risks include competition (Mobile), hotel inventory constraints, and operational deficits without strategic partnerships

Comparative Convention Center Benchmarks

Regional facilities (Wilmington, Resch Expo, Gulf State Park) demonstrate strong performance when offering:

- Attached or walkable hotels
- Flexible ballroom/exhibit space
- Integrated district or arena

Conceptual Design and Site Integration

This section delves into a proposed facility designed to serve both amateur sports tournaments and regional conventions, offering flexible and divisible event spaces that align with the scale of Pensacola's current and projected demand.

The conceptual program establishes a two-level facility. Level One features a 54,000-square-foot exhibit hall, an 8,000-square-foot kitchen, a shared loading area with the PBC, and a welcoming entry plaza and lobby with covered circulation linking to adjacent facilities.

Level Two includes a 16,000-square-foot ballroom, nine meeting rooms, lounge and pre-function areas, and elevated views of both the exhibit hall and the bay. A planned sky bridge would provide seamless connection to a potential on-site 200-key hotel, strengthening the venue's attractiveness for multi-day regional events.

The site plan calls for the convention center to be positioned adjacent to a structured parking garage, ensuring convenient access and operational efficiency. Because construction would displace approximately 467 existing surface spaces, Given the facility's projected event-day demand of roughly 800 spaces, the study recommends a five-level parking structure totaling approximately 1,300 spaces. This approach both replaces lost capacity and supports anticipated visitor volumes.

This section also includes current details of site specifications for the ice rink and indoor sports complex.

Executive Summary

Conclusions

A convention-center-led redevelopment remains the strongest and highest-return strategy for the Site, addressing the city's undersupply of modern event space and enabling Pensacola to compete more effectively for regional conventions and year-round visitation.

Success depends on securing a connected or adjacent hotel, which is essential for attracting event bookings and ensuring long-term operational viability. The development options thus are:

- Convention Center – Highest economic and tourism impact and diversification
- Indoor Sports Complex – Moderate to high return and high community value
- Ice Rink – Limited regional draw and highest subsidy requirement
- Waterfront and pedestrian connectivity may be advanced as a separate workstream, complementing the overall development and enhancing site functionality/appeal for investment.
- Project definition should evaluate whether incorporating the Tech Park, either through a ground lease structure or a potential hotel development would generate stronger developer interest.

The section further highlights recent national projects, the Burbank Civic Center, Baton Rouge Convention Center and hotel, and Fargo Convention Center to show examples of current projects and how they are advancing in the market. Each relies on hotel-anchored design, phased mixed-use development, and P3 structures to manage cost, reduce risk, and strengthen market performance.

Monitoring these transactions is important for Pensacola, as they provide real-time insight into developer expectations, procurement sequencing, funding models, and risk-sharing approaches that can directly improve Pensacola's strategy.

Next Steps For Development

- Refine Vision & Programming
- Confirm or narrow down to no more than two preferred development scenarios (traditional, hybrid, P3, P3 TOD).
- Confirm land swap strategy
- Assess demand for unsolicited hotel developer or hotel development and convention center co development option to determine hotel strategy
- Cost estimating and phasing strategy for highest ROI.
- Stakeholder Alignment
  - Coordinate with County, PEDC, CRA, hotel developers,
  - ASM/Legends, community groups.
  - Develop landing page/website
- Assess grant readiness, prepare grant calendar, and assess TIFIA/TOD eligibility. Begin applying for Planning Grants to fund further studies and analyses
- Evaluate TDT allocation, district taxes, and revenue-sharing models.
- Site Planning & Zoning: Advance site concepts, parking strategy potential, and Tech Park integration. Consider changing zoning from SSD for flexibility.
- Conduct risk mitigation around traffic, environmental constraints, and utilization.

Project Background and City Objectives

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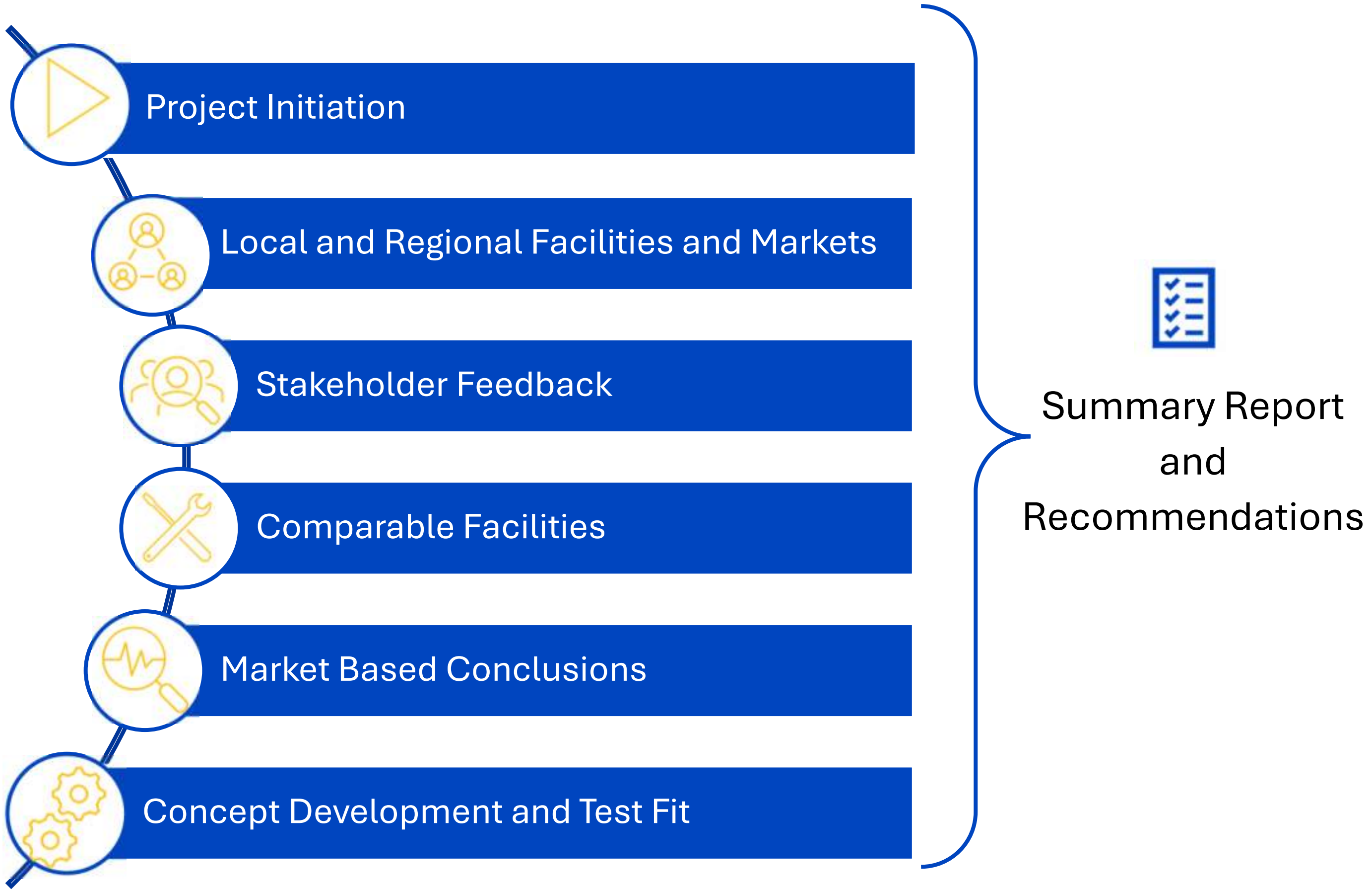
Overview of Engagement

- Assess demand drivers, tourism infrastructure, competitive venues, and economic impacts.
- Interviews with City leadership, tourism, hotel sector, business reps, promoters, and community groups to validate needs (capacity, space types, joint-use potential).
- Design, deploy, and analyze a citywide survey to document community sentiment and ensure all voices are captured.
- Site planning and massing studies to illustrate how a new center can integrate with the Bay Center and surrounding infrastructure.
- Integrated final report with findings, market-based conclusions, and actions for stakeholder alignment; supplemented with an appendix for additional information.
- Provide the City of Pensacola with a data-driven, community-informed, and financially grounded roadmap to determine whether and how to advance a new Convention Center as part of a broader Bay Center District redevelopment strategy.



Background and City Objectives

Introduction

The City aims to transform the Bay Center District into a thriving, vibrant destination, modelled after successful urban redevelopment efforts. As part of this initiative, the City is evaluating the viability of a new Convention Center and related uses.

While multiple past studies have identified demand, this effort will independently validate those findings, assess redevelopment scenarios that boost economic vitality, strengthen tourism and enhance community connectivity, and outline actionable steps towards the City's vision.

This initiative is part of a broader strategy to enhance Pensacola's tourism infrastructure, strengthen its economic base, and reinforce the vitality of its downtown core.

The envisioned development is intended to serve as a catalyst for long-term economic growth. In addition to the Convention Center, the study will provide secondary consideration for a multi-use Indoor Sports Complex to support recreational and competitive activities, and a Public Ice Rink to complement the PBC's existing hockey operations and broaden community amenities.

This report is designed to position the City for informed decision-making and future investment discussions with Escambia County (the "County") and private-sector partners.

City Objectives

WT conducted a kickoff meeting on December 17, 2025, to align key players with the City's objectives, project scope, and outline stakeholders for engagement. This established a framework for evaluating the feasibility of a Convention Center at the Site, with consideration for a sports complex and public ice rink. Key priorities, for consideration, that support the success of the project are:

- Perform an objective analysis regarding the proposed developments to understand the best possible outcome for the City's stakeholders and residents
- Understand impact on infrastructure outside fence line including potential development opportunities (Grand Hotel and Depot Site, Bay Center and associated parking lots, Technology Park blocks)
- Develop a conceptual site and facility layout that demonstrates feasibility and design potential.
- Address challenges such as unsafe parking, poor pedestrian connectivity, and limited walkability.
- Maintain the historical character and integrity of nearby buildings
- Support public engagement and job creation
- Identify strategic opportunities for public-private partnerships (P3s) and funding
- Produce materials to support communication and investment
- Understand the role of the County and other stakeholders

Site Overview

- The Site consists of two parcels marked in blue as shown on the right for a total of 6.86 acres for the Project.
- The Site is a full city block, currently utilized as a surface parking lot for arena events. It includes both paved and gravel sections. There is a small stormwater retention basin at the northeast corner of the lot, reflecting the Site’s role in local drainage. Overall, the parcel serves as open-air parking and staging area supporting PBC activities and is otherwise vacant land. It is notable that if and when the Site is developed, parking will need to be addressed.
- To the North, the Site is bounded by East Chase Street, an east–west downtown artery. To the South, the Site is bordered by East Gregory Street, which runs eastbound and is the counterpart to Chase. Gregory Street is a principal route to the Pensacola Bay Bridge. On the opposite side of E. Gregory Street is the Pensacola Bay Center’s main building. Heading West, the Site is defined by North Alcaniz Street (9th Avenue), which runs north–south. The parcel’s eastern edge is bordered by the Interstate 110 highway corridor.
- The Site is zoned as Site-specific development zoning district (SSD), which is a legacy zoning. The Site will have to be reviewed for potential redevelopment uses, however if rezoning is required for development, it will take 2-3 months as per the City’s Planning Division.

Site in Context to its Surroundings

Multiple properties surrounding the Site could be used for redevelopment. The location is adjacent to Downtown Pensacola but remains constrained by limited connectivity and accessibility, which continues to influence its financial performance.

PBC– 9.84 Acres

Since opening in 1985, Pensacola PBC, formerly known as Pensacola Civic Center, has been serving the Gulf Coast region in Pensacola, FL to host a wide range of events, concerts, family shows, and professional sports teams. The venue is owned by Escambia County, FL and operated by ASM Global (also referred to as “Legends”).

Grand Hotel & Historical Train Station Façade – 3.8 Acres

The Grand Hotel is privately owned and has been vacant for five years following damage from Hurricane Sally. The 15-story property was constructed around the historic L&N Passenger Depot and Express Office, built in 1912, and listed on the National Register of Historic Places. Preserving the train depot and upholding the architectural character that reflects Pensacola’s history is a key goal for any project impacting this site.

Technology Park – 9.2 Acres

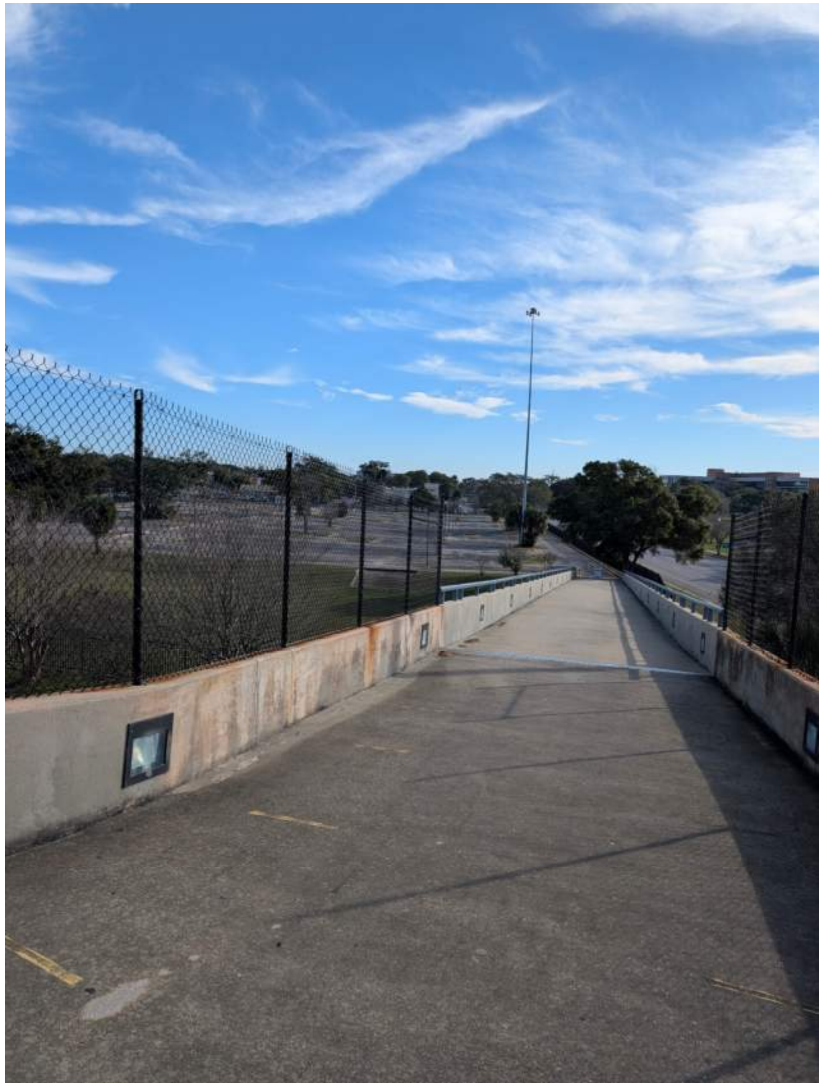
The Technology Park (“Tech Park”) was initially created to support emerging technology companies, with funding provided by the Federal Economic Development Administration (EDA) and Escambia County. Under the stewardship of PEDC, the site is development should demonstrate meaningful economic benefits and job creation.

Site Visit- Referenced Parcel

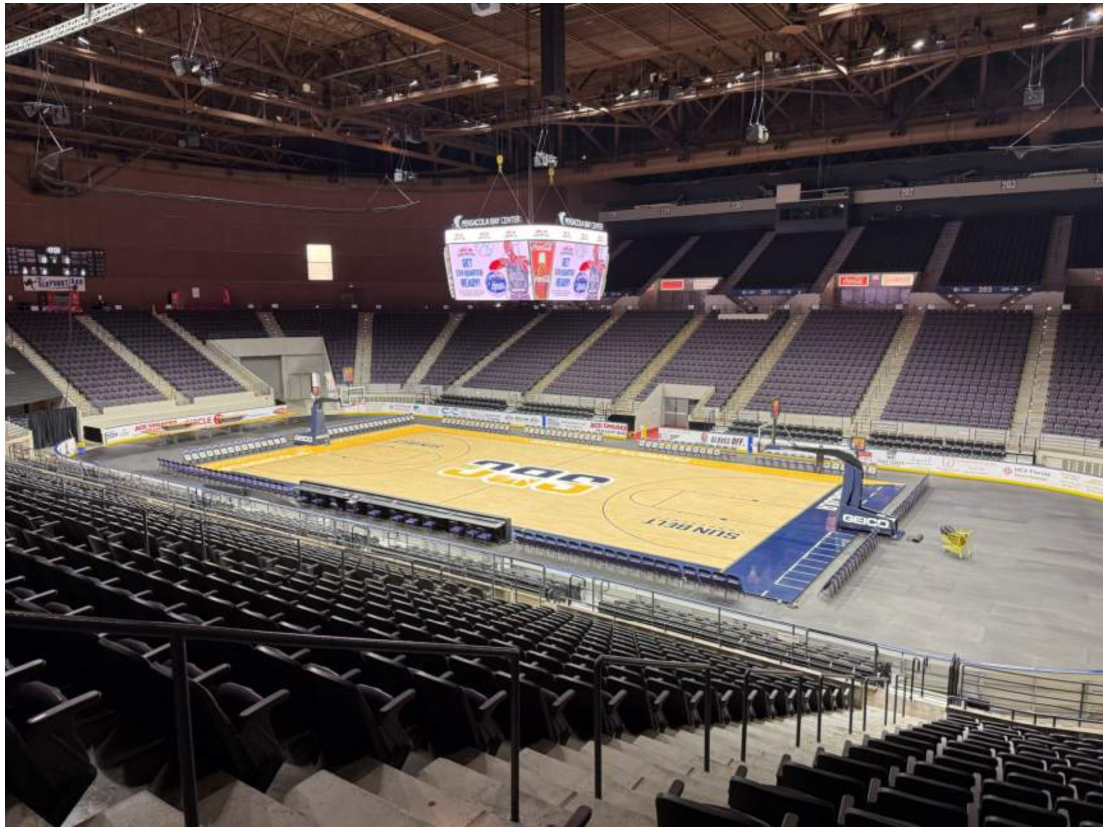
WT, in conjunction with Stone Planning and Perkins & Will, conducted a site visit on January 13-14, 2026, to confirm findings, solidify alignment and learn more about the project. The following photos include views of the Site and surrounding areas.

Site Visit – Referenced Parcel

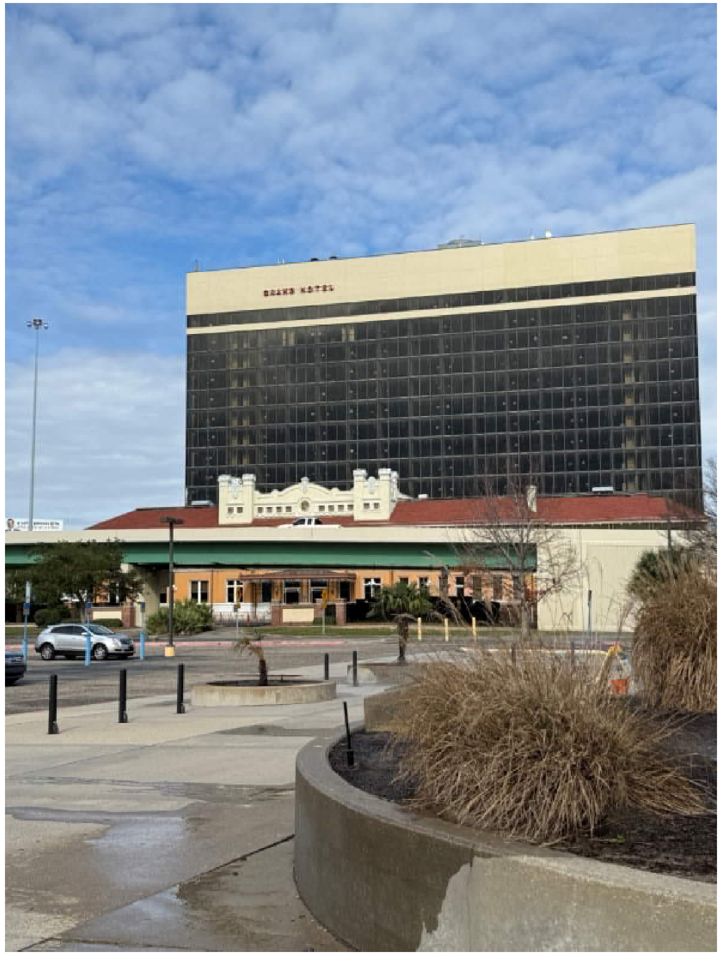
Site Visit - PBC Ramps and Access



Site Visit - PBC



Site Visit - Tech Park and Grand Hotel



Site Visit - Roadway Crossings

Market and Options Analysis

Economic Update

Assessing Development Options

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Economic Update

Economic Outlook 2026

Key Themes for Infrastructure Investment

- GDP is hovering under 2% but not contracting. The federal government is likely to maintain an expansionary fiscal stance, high deficits (approx. 5–6% of GDP) that act as a buffer against a downturn.
- Household spending has flattened in real terms as inflation squeezes budgets and confidence wanes. Surveys show CEO sentiment fell below the neutral mark (Confidence Index approx. 48 in Q4 2025).
- Recent tariff hikes (effective U.S. tariff rate jumped from approx. 2% to approx. 12%) are lifting import costs and pushing core inflation slightly higher. The government may increase spending to mitigate these trade shocks.
- Tighter immigration policies have led to near-zero or negative net migration, stalling labor force growth.
- The Fed delivered a third consecutive 25 bps rate cut in December. Attention is now firmly on projections and guidance for 2026. Traders have become less confident that the easing cycle will extend into 2026, December's meeting, the median FOMC participant sees just one quarter-point rate cut in 2026.

Key Takeaways

- Policymakers may continue or modestly increase infrastructure and investment spending to support the weak expansion.
- Cautious outlook, and small-business optimism is at a multi-year low amid high costs and weaker sales.
- Higher prices for goods and projects mean federal procurement (from military equipment to infrastructure materials) will cost more, putting upward pressure on budget needs (even as tariff revenues flow in).
- Key industries like construction, agriculture, and transportation, which rely heavily on foreign-born workers face worker shortages, worsening supply constraints.
- With respect to interest rates, a significant rebound is not expected until 2027, and even then, the strengthening will be modest, constrained by limited federal support, a drag from trade, and slow employment growth





Source: Key Bank Economic Outlook, EOY 2025

Florida and Escambia County Market Overview

- In 2025, Florida's population reached 23,844,825, reflecting an annualized growth rate of 2.0% over the previous five years, the fastest of any U.S. state. Much of this expansion was driven by strong domestic migration.

- Four Florida markets ranked among the top ten destinations nationally, with Jacksonville, Lakeland, and the North Port–Bradenton–Sarasota region attracting new residents thanks to their favorable climate, affordability, job opportunities, and proximity to major metros such as Orlando and Tampa.

- Ocala and Panama City Beach experienced notable in-migration, supported by the area's large and growing retirement communities (as of July 2025).

- Domestic migration drove hotel development in Florida with hotel room completions exceeding 5,000 in the Sunshine State year to date through June 2025, representing an 11% increase over the first half of 2024.

- In addition to population growth, the availability of inexpensive and developable land, lower construction costs due to cheaper labor, and simpler zoning and entitlement processes in many municipalities also contributed to the rise of construction in the state.

- Escambia County is a mid-sized Gulf Coast county with an estimated population of 331,275 as of July 2024, reflecting steady growth of approximately 2.9% since the 2020 Census. Recent population gains have largely occurred in suburban and unincorporated areas.

Source: CoStar and Census.gov

Pensacola Market Overview

Population

Pensacola is located in Escambia County, in Florida's northwestern panhandle. The City is the county seat and has approximately 55,000 residents (approximately 17% of the county's population of 328,000).

The City is also part of the Pensacola Metropolitan Statistical Area, which includes Escambia and Santa Rosa counties, and has a population of approximately 540,000.

Economy

Pensacola functions as the County's primary employment and institutional hub, with economic activity concentrated in healthcare, government, tourism, education, and military-related operations.

The City alone generated over $2.55 billion in health care and social assistance revenue and approximately $449 million in accommodation and food services sales in 2022, demonstrating its role as both a regional service center and visitor destination. Naval Air Station Pensacola is a major driver of employment stability and secondary economic impact across professional services, housing, and retail sectors.

Tourism & Military Presence

The area is well-known for its tourism and military presence, much of which is outside of city limits. Pensacola Beach (outside of the city of Pensacola) was recently named the best beach in the country by Condé Nast Traveler, which also noted the area's arts, culture, nightlife, and culinary options.

Condé Nast Traveler also ranked Pensacola:

- Eighth on its list of "Top 10 Best Small Cities" in the US in 2023
- One of LinkedIn's top "Cities on the Rise" in 2025

The area is also known as the "Cradle of Naval Aviation," with four bases, and the City is the home of the Navy's Blue Angels.

Outlook

Overall, Pensacola operates as a stable, higher-income, higher-education urban core within a growing Gulf Coast region. While population growth has shifted outward into the broader County and metro area, the City's concentration of jobs, institutions, and amenities continues to anchor regional economic activity and support demand for housing, services, and commercial real estate.

Pensacola Market Performance in Sectors

Retail

Retail remains the most resilient sector, supported by limited new supply, net demolitions, and historically high rents. Although demand has softened, pricing power persists and forecasts indicate stabilization rather than decline. Minimal new construction keeps downside risk low.

Hospitality

Hospitality market is healthy but normalizing after several strong years. Elevated ADR and RevPAR continue to support operations, though growth has slowed and capital markets are more selective. Future gains will depend largely consistent visitor programming, not leisure travel alone.

Office

Office is the weakest sector, driven by demand contraction rather than oversupply. Rising vacancy and negative absorption reflect tenant downsizing and space give-backs. While rents and investment activity are relatively steady, the outlook is flat. Office performs best as a secondary or complementary use.

Multifamily

Multifamily fundamentals remain solid, with stable occupancy and strong investor interest. However, a large incoming supply pipeline will create short-term pressure on rents and lease-up. Conditions are expected to stabilize, though near-term friction is greater than in retail or hospitality.

Key Takeaways

- Retail and hospitality show the strongest near-term resilience due to pricing power and limited new supply.
- Multifamily remains investable, but near-term supply creates timing risk.
- Office faces structural demand challenges, limiting its role as a standalone use.
- Destination-oriented and mixed-use programs outperform single-use development in current market conditions.

Hospitality- Three (3) Mile Radius from Site

Under Construction Rooms	Market Cap Rate	12 Mo Occupancy Rate	12 Mo ADR	12 Mo RevPAR
124	**8.9%**	**70.5%**	**$153**	**$108**

Overview

The hotel submarket within a three-mile radius of the PBC is steady but moderating. Occupancy is 70.5%, which is above the 10-year average, though down 2.4% YoY, indicating the submarket is normalizing after a strong run. ADR has reached a decade high at $153 with slower YoY growth (+0.6%), and RevPAR remains elevated at $108 despite a slight YoY decline (-1.8%). Together, these indicators point to resilient pricing alongside softer demand, with performance stabilizing rather than accelerating.

Investment and supply signals echo that recalibration. Market sale price per room is $126K, above long-term norms but down YoY (-1.4%), while sales volume has fallen sharply to $4.8M, underscoring heightened selectivity in a cautious capital environment. Market cap rates have edged up to 8.9%.

On the supply side, one hotel (LivSmart Studios by Hilton, 124 long-stay studios) is under construction with completion expected mid-2026. No rooms were delivered last year and significant demolitions in 2024–2025 produced negative net deliveries, limiting near-term expansion and tempering competitive pressure. Ownership activity remains concentrated, led by Omega Hotel Group, signaling a more selective buyer pool shaping pricing and asset strategy.

Key Takeaways

- Performance remains solid by historical standards, but recent metrics indicate normalization rather than continued upside.
- Elevated ADRs are sustaining RevPAR even as occupancy moderates, underscoring pricing power in peak periods.
- Capital markets are signaling caution: Lower sales volume and higher cap rates reflect more selective underwriting amid uncertainty around future demand growth.
- Supply additions increase near-term sensitivity: New hotel deliveries could pressure occupancy and RevPAR if group and convention demand does not accelerate.
- Sustained growth requires new demand drivers: Long-term improvement is tied to incremental generators—such as conventions or events—rather than leisure travel alone.

Source: CoStar

Retail - Three (3) Mile Radius from Site

Under Construction SF	12 Mo Net Absorption SF	Vacancy Rate	Market Cap Rate	Market Asking Rent/SF
0	**-50,028**	**6.3%**	**7.8%**	**$15.65**

Overview

Within a three-mile radius of the Bay Center, the retail submarket shows softening demand conditions, with several indicators signaling a cooling environment. Vacancy has risen to 6.3%, up from 5% a year prior, placing the current rate near the upper end of the typical historical range.

Net absorption reflects the same trend: the area posted –50,028 SF over the past 12 months, a substantial drop from the +51,101 SF recorded the previous year. Combined with negative net deliveries of –8,429 SF, the data suggests that demand is weakening rather than space being oversupplied. Asking rents continue to grow but at a slower pace, with only 1.2% annual growth, down markedly from 3.6% the prior year. Even so, rents reached a ten-year high of $15.65/SF, exceeding the long-term average of $13.44/SF, indicating landlords are holding pricing despite softening fundamentals. Sales metrics paint a similar picture of tempered investor confidence. Over the past year, sales volume totaled $17M, slightly above last year's $15M but still below the ten-year average of $21M.

Cap rates have edged upward to 7.8%, consistent with a cautious investment climate and in line with long-term norms. Supply remains constrained with no new construction is underway and 9.8K SF demolished in the past 12 months, supporting pricing stability despite weakened absorption. Forecasts call for approximately 30K SF of net absorption in 2026, suggesting gradual improvement, while longer-term projections anticipate continued delivery growth into 2030.

Source: CoStar

Key Takeaways

- Softening demand reflects tenant caution and normalization after prior strength, not a collapse in retail fundamentals.
- Limited new development and net demolitions are allowing landlords to hold rents despite weaker absorption.
- Negative absorption suggests retailers are resizing or consolidating footprints rather than exiting the market altogether.
- Cap rates edging upward and sub-average sales volumes point to selective capital targeting stabilized, well-located assets.
- Forecast improvement is likely to come from organic leasing and backfilling vacancy, not a surge in new retail demand.

Assessing Development Options

Approach To Assessing Impact of Developments

Current studies to date have looked at the following development options:

- Ice Rink
- Indoor Sports Complex
- Convention Center

This section summarizes the expected impacts of each development option. It begins with a high-level look at sectors most influenced by increased foot traffic and tourism, primarily hospitality and retail. Pensacola's already-strong retail market, especially within the broader Panhandle region, positions it well to benefit. Restaurants may also see increased activity, though the scale depends on event types and visitor profiles.

Multifamily and office uses were excluded from the impact analysis, as they are driven by long-term economic conditions rather than event-based demand. However, community-enhancing improvements can still support broader economic growth by attracting both visitors and new residents over time.

The section then shifts to the potential for private investment and emerging Southern market trends, drawing on examples from Florida, Louisiana, and Texas, states frequently referenced by stakeholders as relevant comparables.

These quantitative findings are further informed by stakeholder feedback in the following section, helping assess how the development options measure against each other and perceived goals for the City.

Emerging Trends & Potential for Private Funding

Ice Rink

- P3s located in warmer climates are multi-purpose venues, which also incorporate ice, movie nights and outdoor festivals
- Projects risks are primarily maintaining an ice rink in Florida because of heat and humidity (DVA Arena, FL), and demonstrating sizeable year-round demand for ice
- Large philanthropic donors are required for private funding. Most successful warm-climate P3s rely on public assets- city-owned land, tax incentives, tourist-tax revenue or infrastructure upgrades, and on facilities designed for multiple uses. Requires ongoing public support.
- Examples P3 projects: Lakewood Ranch/Manatee County, FL*, Palm Beach Gardens IcePlex, and Comerica Center, Frisco, TX

Indoor Sports Complex

- Require significant public support, typically county-led. Requires mixed use and or adjacent hotel for maximum impact
- P3 deals are frequently structured to give private investors clear, guaranteed payback sources
- Running revenue generating facilities and organizing tournaments is increasingly being outsourced as cities view their function as core city services. This can either be “third party managed” or completely privatized
- Example P3 projects: Legends Event Center, Bryan, TX (non-P3, outsourced management), Cedar Point Sports Center P3, Sadusky, UH, Sports complex P3, Volusia County, FL

Convention Center

- Cities are pursuing convention or civic center redevelopment districts instead of standalone facilities.
- New facilities emphasize multipurpose layouts modular configurations to host events of various sizes and pivot quickly between shows. The goal is to serve everything from trade shows to esports using the same adaptable footprint.
- Required public funding, has likelihood of P3s tied to allowing private investors who finance hotels, retail or mixed-use components while public entities provide the convention facility and land. Investors are drawn to stable revenue streams (e.g., hotel taxes or availability payments) and the synergy between convention-driven foot traffic and income-generating projects.
- Example P3 projects: Doug Pitcock ’49 Texas A&M Hotel and Conference Center P3, Houston Convention District Transformation

**As of Feb 16, 2026 the lease agreement has not been signed*

Assessing Impact of Developments

Low Impact → **High Impact**

	Ice Rink	Indoor Sports Complex	Conference Center
Hospitality	• Occasional tournaments, demand is somewhat regional, but mostly local • Can attract out-of-town teams for hotels, however seasonal in nature	• Moderate ADR (youth athletes, coaches, families) • Shorter length of stay, can be multi-day • Reliably fill mid-price hotels	• High ADR (business travelers) • Multiday length of stay • Reliably fill mid, upper and luxury hotels
Food & Beverage	• Demand can increase during tournaments and mimic indoor sports trends (next column). Otherwise, no new generation expected from visitors	• High frequency and casual, low spend • Average approx. $43 per visitor • Visitor profile leans towards fast-casual dining, team meals, free hotel breakfasts, and concessions.	• Moderate frequency and typically mid-level and higher, high spend • Federal per diem for Pensacola is $64/day, and business travelers commonly match or exceed this amount (~ $100/day)
Retail	• Can benefit from spikes in increased traffic and sporting gear purchases • Minimal retail impact • Successful models include walkable districts/mixed-use to generate higher spend	• Will benefit from increased foot traffic for grocery retailers, sports stores, and convenience stores	• Will benefit from increased foot traffic, especially in walkable districts • Boosts specialty, boutique, and entertainment retail

Stakeholder Feedback

Empowering growth.

Approach To Stakeholder Engagement

This section outlines the stakeholder engagement process, which includes in-person meetings, virtual interviews, and a resident survey. WT met a diverse group of stakeholders including PBC personnel, CVB, City Council, the County Commissioner, URA Board Member, City staff, hotel and restaurant operators, Pensacola Sports, and others. These early discussions focused on understanding motivations, priorities, and expectations for future development for each stakeholder.

As themes emerged, engagement then shifted toward evaluating the convention center viability. Findings related to the convention center option are presented in the latter half of this section, followed by results from the resident survey. Across all engagement activities, two guiding questions framed the assessment:

- How would each option be programmed and used?
- Do stakeholders support it, and does it align with community priorities?

Survey Methodology

The resident survey was designed not only to collect feedback on the proposed development scenarios, but also to provide the City with broader insights that could guide future decision-making, even if none of the current options are pursued.

The Survey therefore began with a tone-setting question about residents' long-term vision for the City, helping establish context for how respondents would interpret each development option. Subsequent questions examined each option individually, using a consistent structure to gauge support and anticipated usage.

An exception was the convention center section, which required a modified approach, given that its success depends more on tourism demand, conference attraction, and regional economic activity than on routine local use. Thereafter, the survey returned to the standard format to assess potential drawbacks, overall sentiment, and reactions to mixed-use pairings. Demographic questions helped identify who participated and find any outliers.

Toward the end of the survey, an open-ended prompt invited residents to share additional ideas, concerns, or alternatives not captured in earlier questions but still taking advantage of a chance to gather feedback and reflecting recurring themes such as the desire for green space, community-focused amenities, or concerns about building scale.

Finally, residents were also asked whether they were considering leaving Pensacola and how urgently they felt the City should pursue job growth, economic diversification, and other long-term needs. Throughout its design, the survey methodology centered on understanding what residents want for the future of Pensacola.

Survey

The survey was conducted from February 11–20, 2026, with an additional three-day extension at the City's request. The results of the Survey follow stakeholder insights.

Together, this stakeholder engagement and resident survey provides an informed foundation for identifying the partners and decision-makers who will shape the future of the Site and its surrounding infrastructure.

Stakeholder Engagement Takeaways

Connectivity, Parking & Mobility Challenges

- Parking, traffic flow, and major barriers, especially crossing 9th Avenue, were identified as issues to address to ensure district functionality.
- Stakeholders stressed the importance of walkability and circulation improvements that support both residents and visitors.

Job Creation & Regional Competitiveness

- It became clear that a goal should be to position Pensacola as desired destination, competitive with regional peers like Destin, by leveraging its waterfront character while enhancing safety, accessibility, and year-round activity for residents and visitors alike.

Activation of Underutilized Assets

- There was broad agreement that redevelopment should prioritize underused sites like Tech Park, Midtown Commerce Park, and OLF-8. Tech Park redevelopment is also seen as a job-creation engine.
- The FPL building is seen as a key asset with strong reuse potential (conference/sports/office mix, sponsorship value).

Stakeholder Engagement- Convention Center Specific

The results of stakeholder interviews as they pertain to exploring the convention center are below:

Pensacola Market Seen as an Attractive Destination

- Pensacola is the one city in the region that has a true downtown and associated amenities (such as restaurants, retail, and cultural attractions).
- Pensacola's 12-gate airport is the largest in the region and will grow in the future due to the addition of another terminal. (Note that the new Mobile International Airport that will open in late 2026 will have 5 gates, with the ability to expand to 12.)
- Pensacola's major assets as a destination include the beach, the airport, its downtown, its cultural assets, and relatively light traffic compared to other beach cities in Florida.
- One negative is the need for any large events to divide their use over multiple hotels.
- For local residents, downtown is a more convenient location for events than the beach.

Pensacola Vs. Local Destinations

- It is generally accepted that the PBC needs renovations, including improvements to its surrounding roads.
- Pensacola's primary regional competition for events include Mobile, Biloxi, Ft. Walton Beach, Panama City, Destin, and Orange Beach.
- Pensacola has a lot of small, unique event spaces.
- None of the planned or upcoming hotels in Pensacola will have significant meeting space.
- The new hotels will need a demand generator such as a facility that will attract overnight visitors.
- The Hilton Pensacola Beach is in need of improvements (including to its rooms, pool, and restaurant) but is known for its good service.
- The Hilton can host larger events in coordination with other nearby hotels, but it is generally not a good experience for attendees, and some events remain too big, even for multiple hotels.
- The largest social events in the area are generally held at the Hilton Pensacola Beach because of its size. Hilton Pensacola Beach confirmed that they use facilities next door to cater to the overflow in demand.
- While Mardi Gras-related events are held on the Bay Center's event floor, its seating bowl is not needed and can make an event feel small. Also, its meeting rooms are too small for balls, which can have as many as 800 people.
- The Sanders Beach-Corinne Jones Resource Center is small (6,100 square feet), lacks sufficient parking, and is generally fully booked.

Stakeholder Engagement- Convention Center Specific

Convention Center Needs and Opportunities

- The market needs larger meeting/convention facilities. Pensacola has significantly less meeting space than its peer cities. Many regional conferences would like to be in Pensacola, but existing facilities cannot accommodate them. Because of Pensacola's proximity to other states, the city is an attractive destination for regional events.
- The local hotel industry is in favor of a new convention center. To be successful, a convention facility needs hotel rooms in the immediate area.
- Approximately 20 years ago, a study identified a need for a convention center in Pensacola.
- Navy Federal, a major local company, holds employee and internal events out of state because local facilities cannot accommodate them. Military and veterans' groups want to meet in Pensacola, for reunions, etc. (with as many as 600+ people), but local venues cannot accommodate them.
- A facility with a room capacity of approximately 1,500 would allow Pensacola to capture most of the events that it could attract.
- Majority of events that considered Pensacola as a meetings destination required 100,000 square feet or less of event space.
- The Greater Pensacola Chamber of Commerce's largest events are at the Hilton Pensacola Beach and other local venues, but they generally limit the size of the events. In addition, the Chamber could create events such as business expos if it had an appropriate venue.
- Some of Pensacola's largest companies are also limited by the size of existing venues.

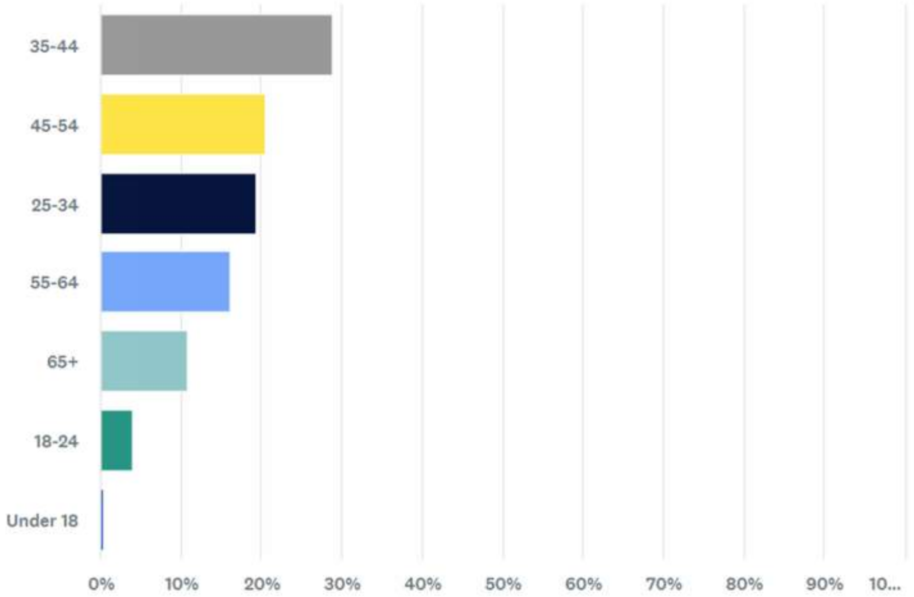
Resident Survey Findings

Basic Demographics of Respondents

In addition to interviews with specific stakeholders, a survey was released for the City's residents to respond to proposed goals and options. A total of nearly 2,000 people (1,907) completed the Survey Monkey-based questionnaire.

General Demographics:

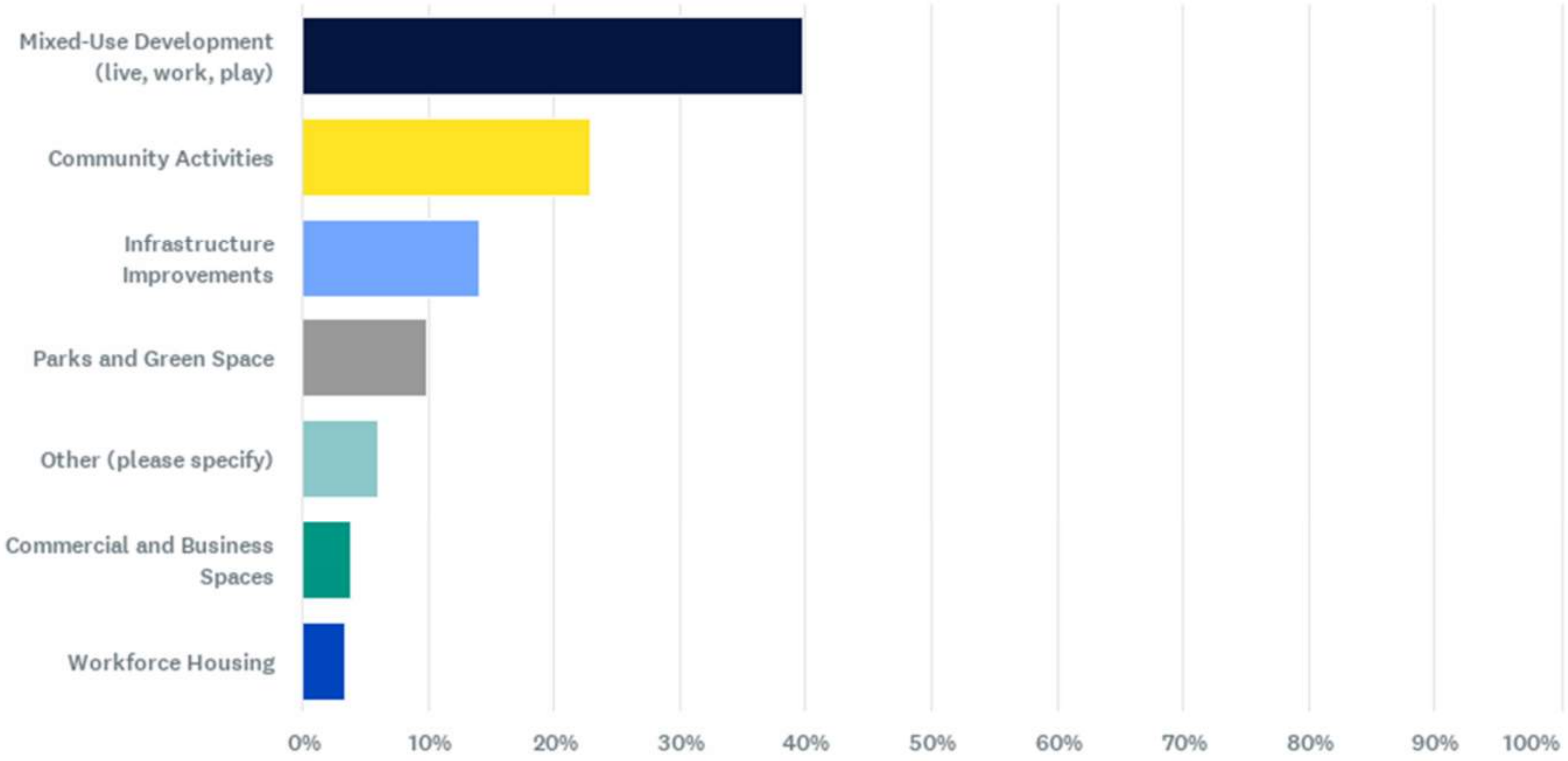
- Median age of Respondents: 35-44
- Family Make Up: Two adults with 1-2 children
- A variety of professional industries were represented, including retirees
- Most respondents were commitment to staying in Pensacola, at least for the next 12 months (93%)
- Those who planned to leave the area most often cited new job opportunities



Resident Survey Findings

The survey began with some general attitudes about tourism and the use of the Site

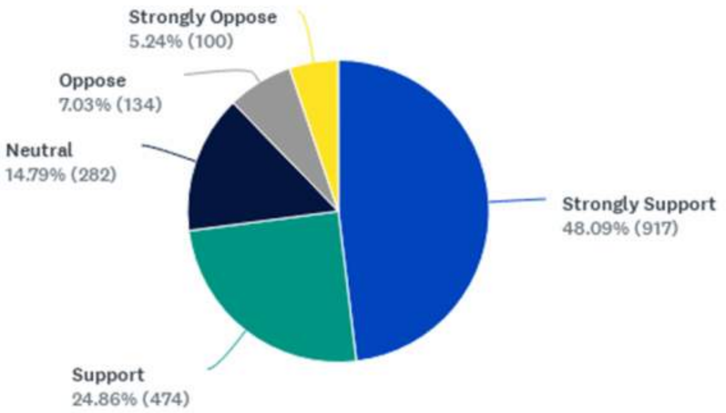
When asked more specifically for thoughts on the usage of the parcel and what would most benefit Pensacola, nearly 40% of respondents favored a mixed-use space, followed by community activities at almost 23%.

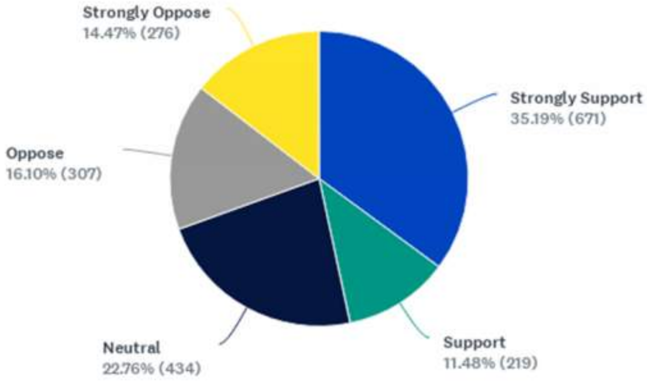


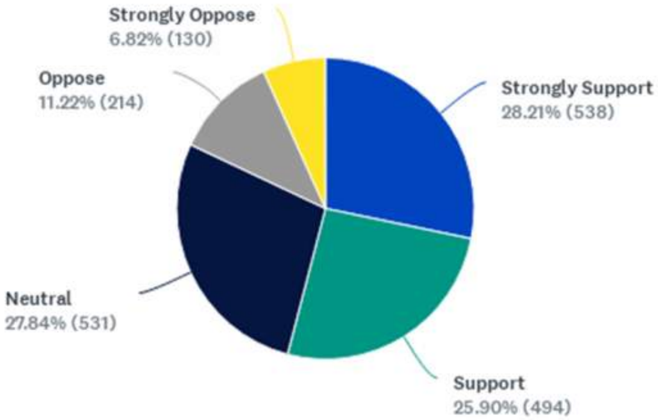
Resident Survey Findings

Next, respondents were given three options for input:

Convention Center	Ice Rink	Indoors Sports Complex







Resident Survey Findings

The final non-demographic-related question was an opportunity to comment

Respondents were given the opportunity to comment on the proposed projects, as well as offer their own feedback. The overall sentiment of the comments was neutral, and the feedback covered a wide range of topics including:

- Importance of preserving environmental and historical assets
- Addressing infrastructure and parking limitations
- Revitalizing downtown with improved connectivity and walkability
- Identifying the cost and resources that would be required for any of the options

Overall, respondents sought balanced growth, respecting the local culture and identity and addressing practical concerns.

Further use suggestions included:

- Mixed-use development
- Expanded green space
- Better utilization or renovation of existing hotels
- Alternative uses, such as tech partnerships or art-focused spaces
- Finding a balance between increased tourism and local community engagement

Resident Survey Findings- Key Takeaways

- Note the strength of “strongly support” and “support” for the convention center, as well as the lack of strong opposition to the idea.
- By contrast, while the ice rink had significant support, it also had nearly 30% "oppose" or "strongly oppose".
- Support for the Indoor Sports Complex was less polarized/more neutral than the other two options.
- All options had pros and cons identified by respondents, which can be viewed more closely on the data analysis link.
- The City may want to consider some public engagement with the local skating community if it goes in a different direction to avoid significant push back from that small but passionate group.
- Regardless of the project, addressing traffic congestion and utilization will need to be a critical part of the public messaging campaign, as those components were the top two concerns with all options.
- Survey responses largely mirrored key themes from individual stakeholder engagement.

Stakeholder Engagement Takeaways

Throughout the study process, WT engaged a wide range of stakeholders, including City Council, the County Commissioner, Pensacola Sports, PBC Management, Florida West, the CVB, and local businesses.

Engagement followed a two-part approach. The first phase was to explore potential development concepts and visions, while identifying challenges and opportunities, to gain a deeper understanding of the local business environment. The second phase featured discussions more specifically focused a possible convention center.

The following points summarize key themes from discussions with major organizations and stakeholder groups:

Vision for a Bay Center District & Development Process

- Strong support for creating a connected Bay Center District anchored by a convention center and hotel with a preference for a phased approach.
- Prior concepts resurfaced regarding leveraging the Tech Park and reconnecting it to the Bay Center site.

County, City, Tourism and Industry Alignment

- The DMO is a County-affiliated tourism and marketing entity that helps shape Pensacola's competitive positioning and visitor strategy, working alongside groups like Visit Pensacola. The DMO's role was seen as important in the development context.
- Pensacola Sports highlights the need for 100,000 sq. ft.+ pillar-free space for regional competitiveness; current proposals fall short. Sports industry feedback indicates downtown locations may add unnecessary cost and constraints; openness to alternate locations.

Modernization Priorities & Facility Tradeoffs

- PBC aims to modernize and expand revenue-generating indoor sports capacity, including year-round ice. Some stakeholders challenge investment in additional ice, preferring conference and flexible programming space.
- Mixed opinions on the PBC's long-term role, some suggest replacing it with a mixed-use complex.
- Concerns raised about over-reliance on TDT funds given Bay Center's heavy local (non-tourism) use. Questions about whether certain amenities, especially additional ice, generate sufficient ROI to justify capital cost.

Natural Assets, Sustainability & Local Identity

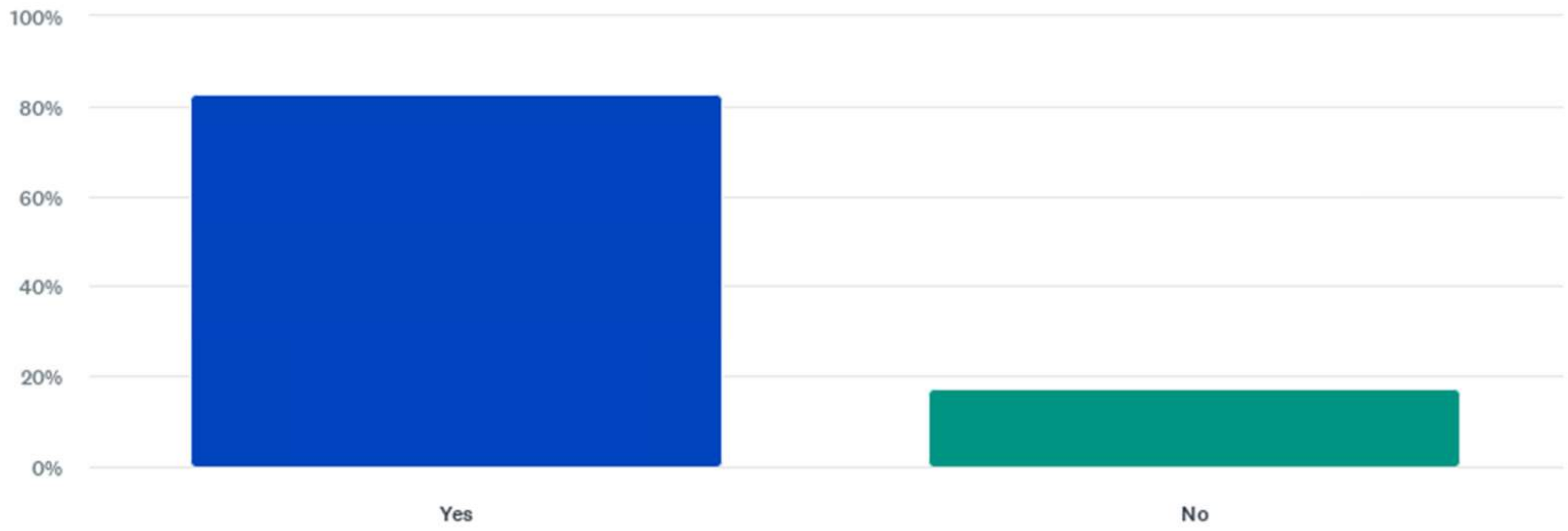
- Repeated emphasis on preserving trees, integrating green space, and incorporating the waterfront. Desire for development that reinforces Pensacola's character and historic assets.

Inspiration for Development from Stakeholders

Resident Survey Findings

The survey began with some general attitudes about tourism and the use of the Site

The goal of the first two questions was to gauge support for locally focused vs. tourism-drawing development. Overwhelmingly, respondents supported tourism as a critical component for economic growth.



Local Market Analysis

Empowering
growth.

Assessing Feasibility of a Convention Center

This section presents local and regional market data to frame the opportunities for a convention center in Pensacola, recognizing that the surrounding area's characteristics are critical to its ability to support such a project. This analysis considers the following factors:

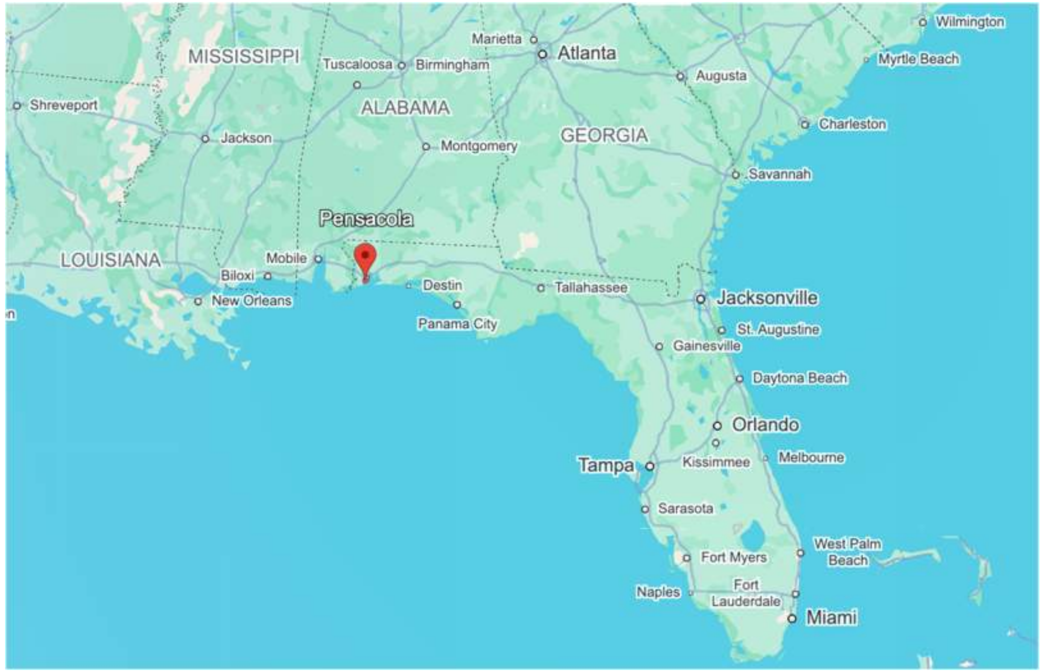
- Demographic trends such as population growth, income levels, and other indicators that shape the size and composition.
- Accessibility, as ease of travel is strongly correlated with a convention center's success. While roadway connectivity and public transit are expected to improve should the development proceed, the current assessment focuses on air travel and benchmarks Pensacola against regional peers.
- Corporate presence and major employers
- Hotel supply and the ability to host larger groups, and amenities such as retail that support multi-day events.
- Project area conditions within a three-mile radius, with emphasis on hotel and retail activity.
- Tourism drivers and community assets that influence visitation and enhance the site's appeal as a destination

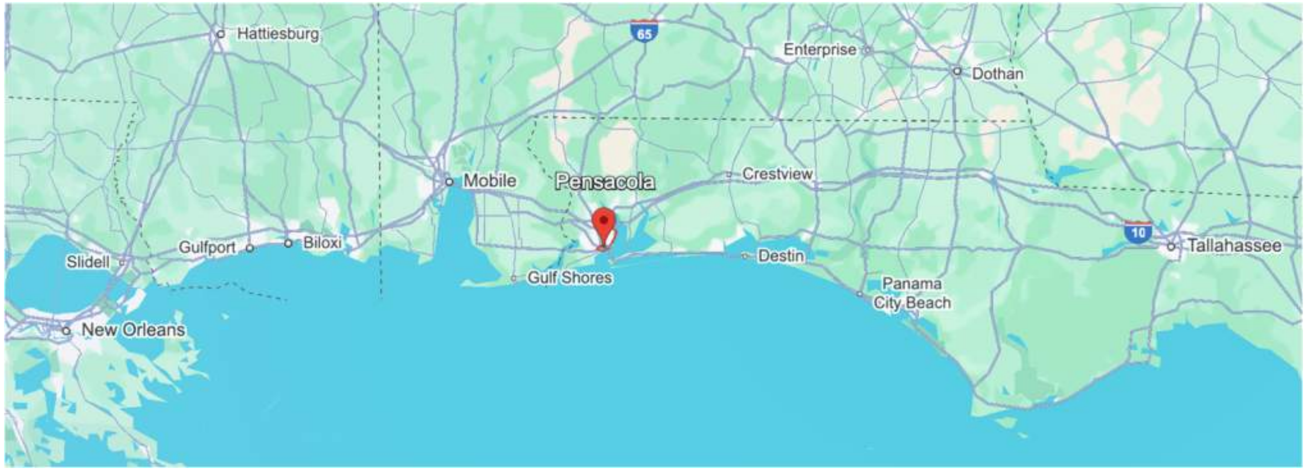
Together, these factors create a multidimensional view of Pensacola's readiness to support new development and more specifically a convention center.

Pensacola in the Region

Within the Gulf Coast, Pensacola is approximately 50 miles from Destin and 140 miles from Panama City.

Outside of Florida, it is 60 miles from Mobile, 120 miles from Biloxi, and 200 miles from New Orleans. Other Florida cities are at least as far as New Orleans: Tallahassee (200 miles), Jacksonville (360 miles), Orlando (450 miles), Tampa (470 miles), and Miami (675 miles).





Demographic Data

- The 2-mile radius is experiencing the strongest growth, indicating urban redevelopment increased housing demand attraction of new residents. 5- and 10-mile radii are relatively stable These areas grow slower but steadily, good indicators for long-term planning.
- Projected population indicators show steady, affordability-driven in-migration, particularly into Escambia County's suburban areas, supported by accessible housing costs and a diversified service-, healthcare, and military economy. Growth is expected to remain moderate rather than accelerate sharply.
- Pensacola is slightly older and more established than the county overall, this reflects a mix of retirees, long-term residents, and a stable, mature urban core. There is a very strong military workforce footprint, especially within 10 miles, which: stabilizes rental markets boosts certain sectors (services, healthcare, retail)contributes to a younger adult population mix.
- Age distribution varies sharply: 2-mile radius = older market, 5–10 miles = working-age, younger demographic. This suggests different service, housing, and workforce needs inside vs outside the core radius.

	2 miles from PBC	5 miles from PBC	10 miles from PBC	Pensacola	Escambia County	Florida	USA
2020 Population	21,338	100,172	265,295	54,319	321,904	21,538,207	331,229,281
2024 Population	22,715	102,471	267,289	53,898	331,275	23,462,518	340,110,988
2029 Population Projection	23,534	105,979	276,800	N/A	344,048	24,634,636	343,754,000
Annual Growth 2020-2024	1.6%	0.6%	0.2%	N/A	2.9%	8.5%	2.6%
Annual Growth 2024-2029	0.7%	0.7%	0.7%	N/A	N/A	N/A	N/A
Bachelors or Higher	32%	27%	28%	43%	30%	34%	36%
Avg. Household Income	$70,402	$69,469	$74,085	74,212	67,500	74,586	80,734
US Armed Forces	206	1,214	9,207	5,275	33,582	1,327,071	15.7 Mn
Median Age	41.6	37.2	37.9	41.9	38.1	42.6	38.9

Source: CoStar, US Census Data and Florida Office of Economic & Demographic Research

Accessibility

Pensacola is connected to other major markets via major federal and state highways. The east-west Interstate 10 provides access to and from Mobile and New Orleans to the west, and Tallahassee and Jacksonville to the east. Highway 29 connects the city to Interstate 65, which routes to Birmingham, Montgomery, and Atlanta. Also, along the panhandle's coastline, Highway 98 leads to other coastal communities in Florida.

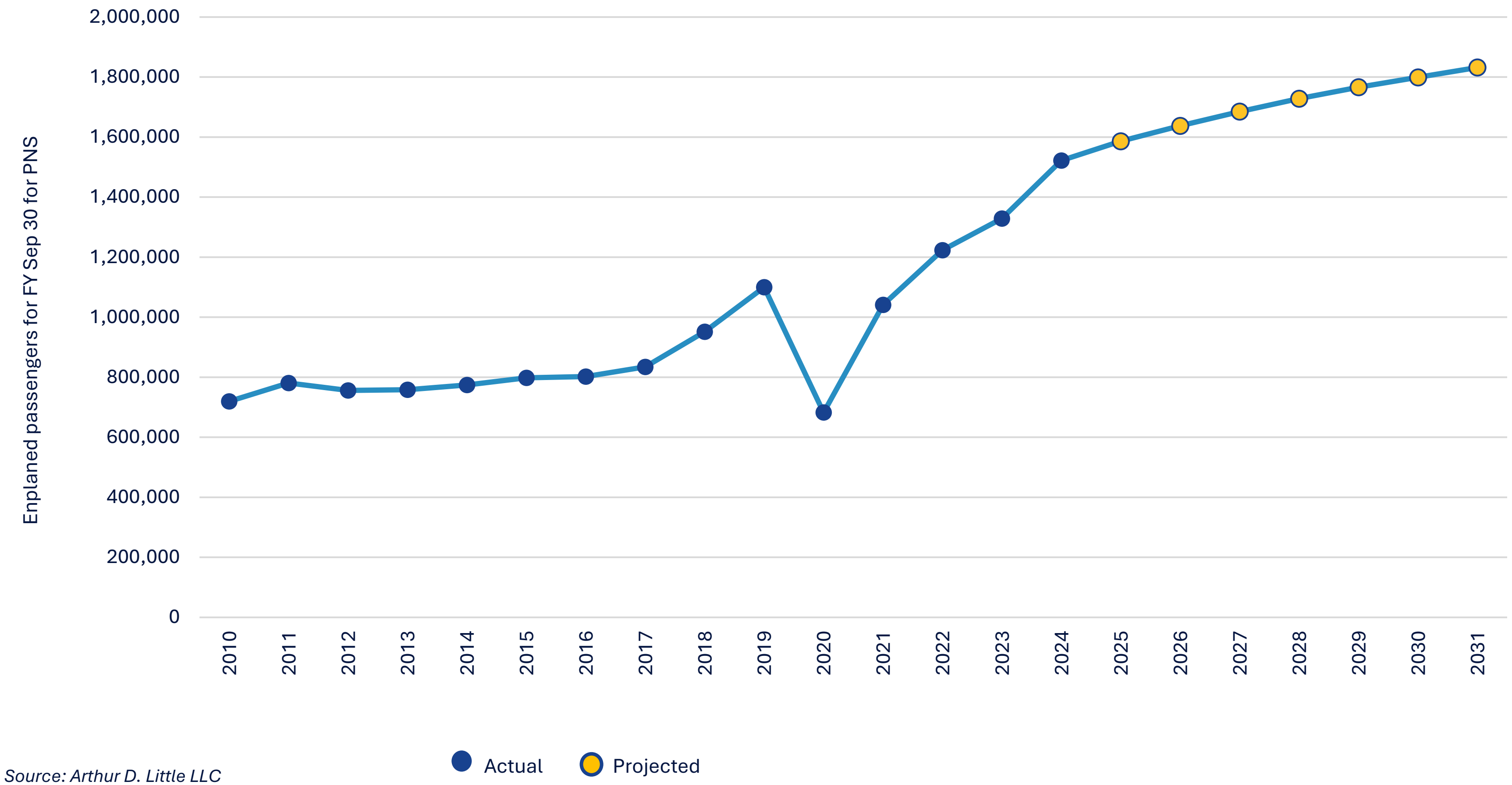
Pensacola International Airport

- Pensacola International Airport (PNS) is also a major asset that drives local visitation. The 1,400-acre facility is three miles outside of downtown Pensacola.
- PNS currently has 12 gates and a 159,000-square foot terminal. It is served by seven commercial airlines and 10 regional airlines, with an average of 80 daily arrivals and departures.
- PNS has year-round nonstop flights to and from 25 airports, and seasonal nonstops to and from two others. The markets that generate the largest share of PNS's Origin and Destination passenger traffic, which measures its passengers whose trips originate or end at an airport, are:
  - Miami-area airports (5.9%),
  - Dallas-Ft. Worth (5.8%),
  - Denver (5.1%), and Washington DC airports (5.1%).
  - Markets with 3% to 5% of PNS traffic are Chicago, Orlando, Houston, New York, and Nashville.

Accessibility

The number of passengers more than doubled from 2010 to 2024, to 1.5 Mn passengers, and is projected to increase to 1.8 Mn in FY 2031.

The following graph shows the past (FY 2010-24) and projected (FY 2025-31) passenger traffic at PNS:

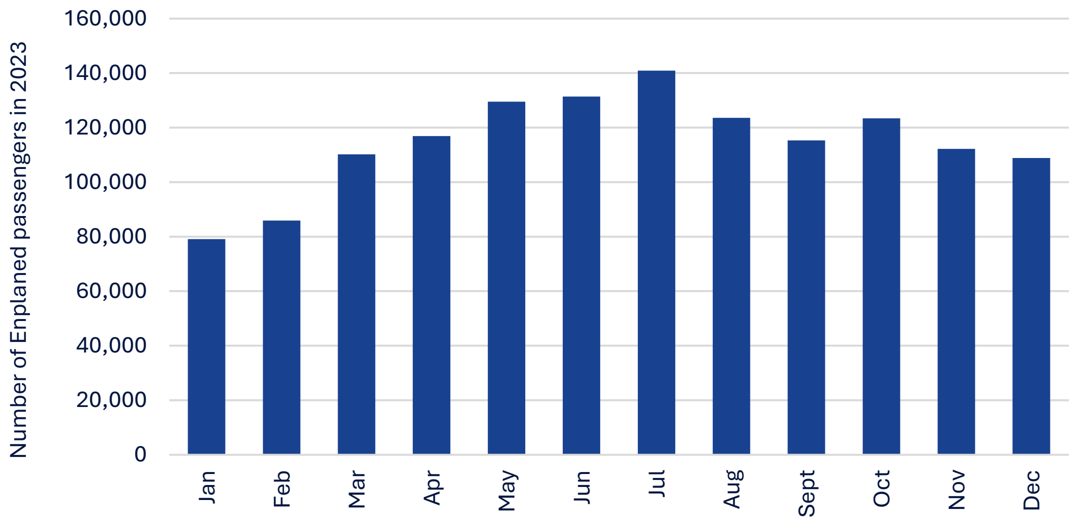


Source: Arthur D. Little LLC

Traffic Patterns – PNS & Regional

The following graph shows the monthly number of enplaned passengers in 2023, which begins to indicate the seasonality of visitation to Pensacola.

According to airport surveys, 45% of PNS passengers are leisure travelers, 45% are business travelers, and 10% are military.



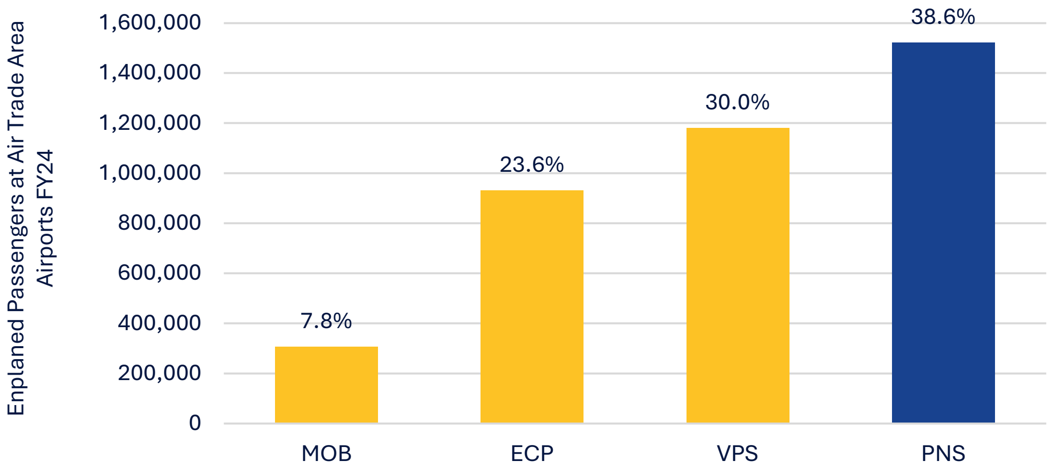
Source: Arthur D. Little LLC

While less than half of passengers are assumed to be tourists, airport traffic peaks between May and August, as well as October; all months had more than 120,000 passengers. Demand is lowest in January and February.

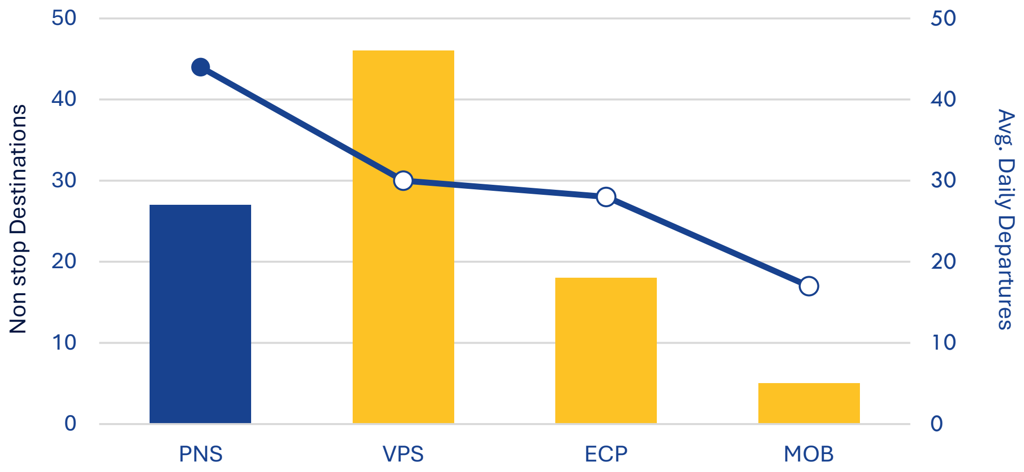
Mobile's international and regional (MOB) airports, the Destin–Fort Walton Beach Airport (VPS) and the Northwest Florida Beaches International Airport (ECP) near Panama City. The map below shows the location of PNS and the three other main airports within a two-hour drive distance.

Accessibility Compared to Regional Peers

- In the 2024 fiscal year, PNS had more than 1.5 million enplaned passengers, which was most of the regional airports. The following table summarizes the four airports' market share.
- Following PNS, which had nearly 39% of passengers, Destin-Ft. Walton Beach had 30%, Northwest Florida Beaches had 24%, and Mobile Regional had 8%. However, Mobile Regional, which is poorly located and led to local travelers frequently using other airports, will be replaced in 2026 by the new Mobile International Airport. The new airport will have five gates and the ability to expand to 12.
- PNS also has more daily departures than the other existing airports, and more nonstop destinations than two of the three, as shown in the following graph.
- Following PNS, which had nearly 39% of passengers, Destin-Ft. Walton Beach had 30%, Northwest Florida Beaches had 24%, and Mobile Regional had 8%. However, Mobile Regional, which is poorly located and led to local travelers frequently using other airports, will be replaced in 2026 by the new Mobile International Airport. The new airport will have five gates and the ability to expand to 12.
- PNS also has more daily departures than the other existing airports, and more nonstop destinations than two of the three, as shown in the following graph.
- Pensacola's 27 nonstop destinations are second to VPS's 46, and its average of 44 daily departures is approximately 50% more than VPS and ECP.



Source: Arthur D. Little LLC

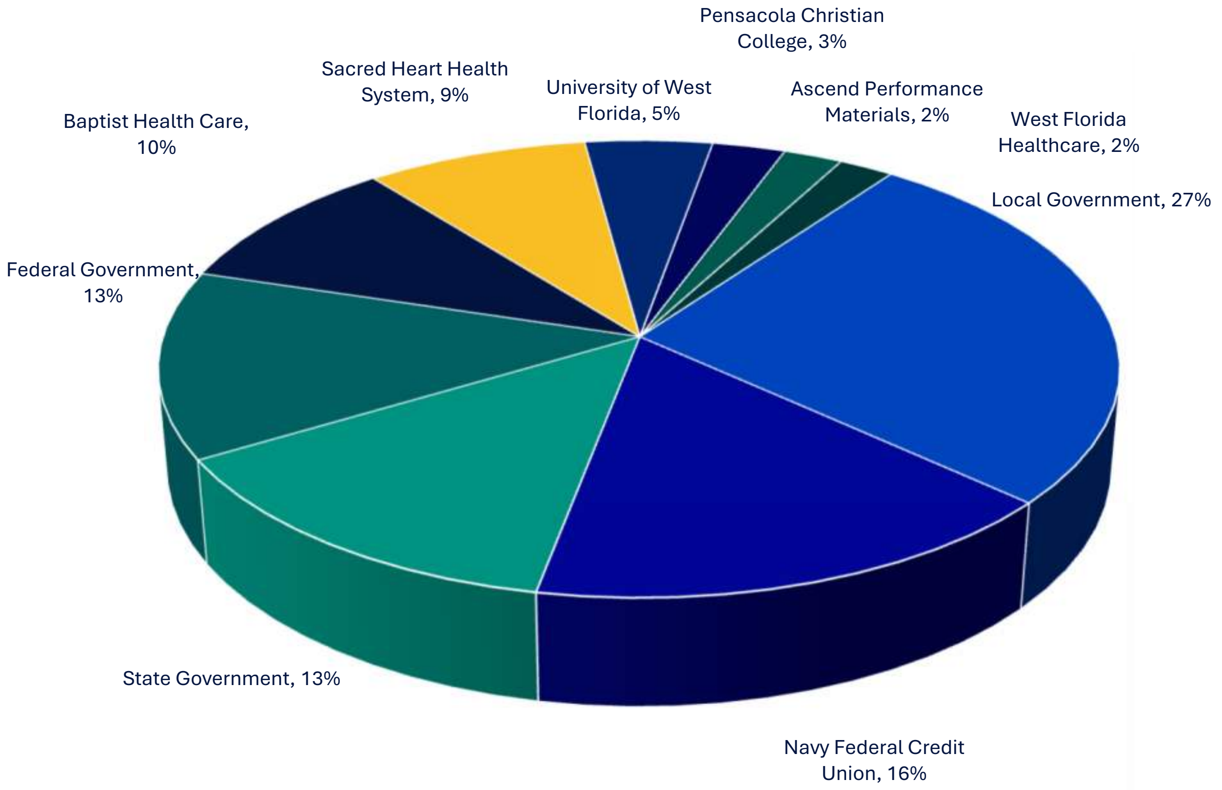


Source: Arthur D. Little LLC

Employment

While a convention center is largely oriented towards usage by non-local residents, area businesses can also provide demand for space.

The following table summarizes the city's ten largest public and private employers as of September 30, 2024:



Entity	Industry	# of Employees
Local Government	Government	15,100
Navy Federal Credit Union	Banking	9,188
State Government	Government	7,600
Federal Government	Government	7,500
Baptist Health Care	Health Care	5,434
Sacred Heart Health System	Health Care	4,820
University of West Florida	Education	2,769
Pensacola Christian College	Education	1,584
Ascend Performance Materials	Manufacturing	1,288

Source: City of Pensacola ACFR, 2024

Hotel Sector in the Panhandle – Regional Comparison

Florida Panhandle Hotels

The Florida Panhandle contains five submarkets. The largest two are Fort Walton Beach and Panama City, with over 12,000 and 11,300 hotel rooms, respectively. The third-largest Pensacola submarket offers approximately 10,000 rooms. Fort Walton Beach typically achieves the highest RevPAR due to its concentration of upper-tier class hotels.

Historically, transient travelers accounted for over 85% of the overall hotel demand, with the remainder in the group sector. Tourism remains the cornerstone of the market, with destinations like Destin, Panama City Beach, and Pensacola offering leisure activities such as fishing, boating, and diving. Through October 2025, the 12-month transient RevPAR recorded 3.0% growth, predominantly driven by incremental pricing power.

Florida Panhandle Hotels			
Fort Walton Beach		**12,042 Inventory Rooms**	
Under Construction Rooms	570	12 Mo ADR	$178.35
12 Mo Delivered Rooms	311	12 Mo ADR Chg	2.2%
12 Mo Occupancy	58%	12 Mo RevPAR	$103.48
12 Mo Occupancy Chg	-0.8%	12 Mo RevPAR Chg	1.3%
Panama City		**11,365 Inventory Rooms**	
Under Construction Rooms	551	12 Mo ADR	$145.84
12 Mo Delivered Rooms	91	12 Mo ADR Chg	4.1%
12 Mo Occupancy	61.3%	12 Mo RevPAR	$89.42
12 Mo Occupancy Chg	-0.2%	12 Mo RevPAR Chg	3.9%
Pensacola		**10,030 Inventory Rooms**	
Under Construction Rooms	243	12 Mo ADR	$143.13
12 Mo Delivered Rooms	200	12 Mo ADR Chg	0.9%
12 Mo Occupancy	63.0%	12 Mo RevPAR	$90.14
12 Mo Occupancy Chg	0.3%	12 Mo RevPAR Chg	1.2%

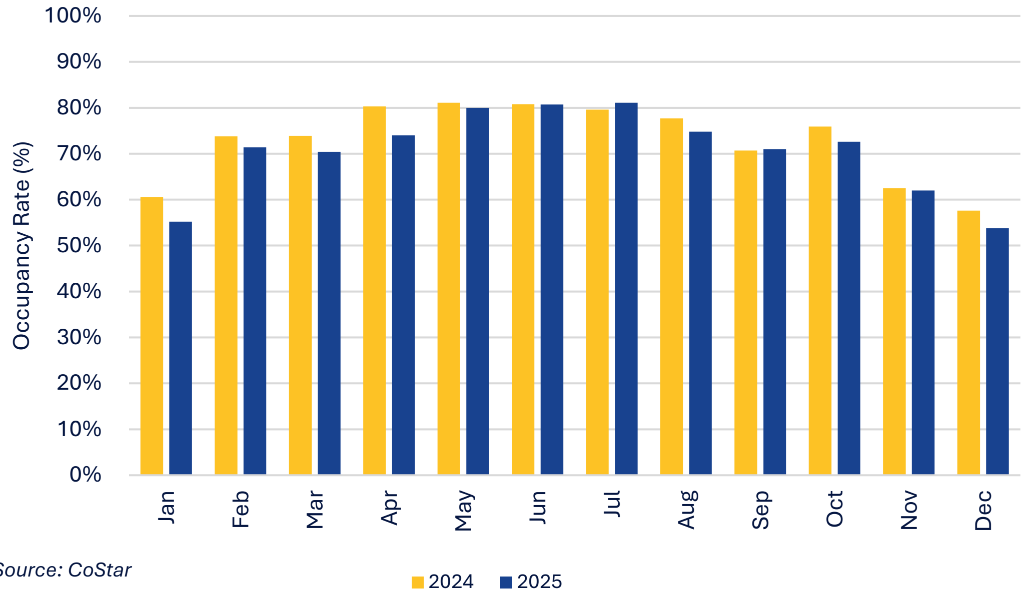
Pensacola Hotel Performance

For a facility such as a convention center, for which a significant share of its use would be generated by non-local residents, the local hotel market is important to its success. The number, quality, and location of rooms can all affect a convention center's desirability, although different user groups have varying wants and needs (such as room rates).

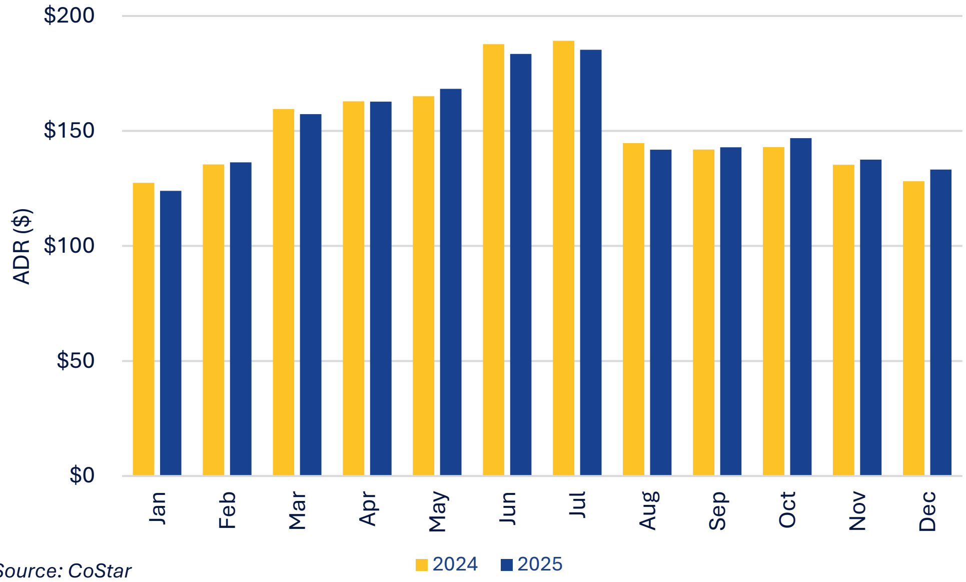
The broader market (generally considered to be the metro area) has approximately 10,000 hotel rooms. Of these, approximately:

- 46% are economy/midscale
- 46% are upper midscale/upscale, and
- 8% are upper upscale/luxury rooms.

Recent performance of these hotels, as well as those that are within the immediate vicinity of downtown Pensacola. The following graphs show the average daily rate (ADR), and monthly occupancy rate of hotels for 2024 and 2025.



Source: CoStar



Source: CoStar

Hotel Locations

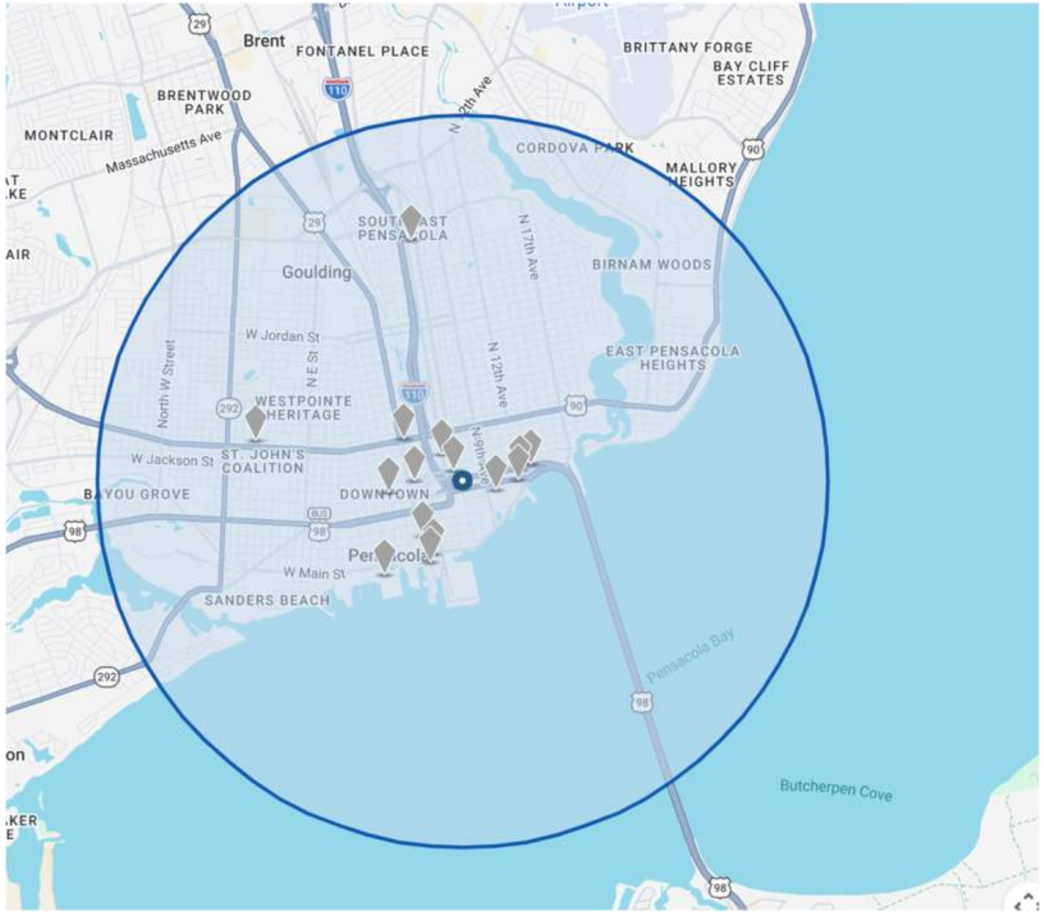
In general, a convention facility's proximity to the appropriate number and type of hotel rooms is very important to its marketability. According to one survey of meeting planners, the quality and proximity of hotels was "very important" to 71% of respondents and "moderately important" to 20%, while only 9% said it was "not important." (Only meeting room capacity and quality, attendee cost, and event organizer cost were considered more important.)

The 212-room Grand Hotel that is adjacent to the PBC is not operational but could provide an opportunity for redevelopment of hotel rooms. In general, with the loss of the Grand Hotel, there are no hotel rooms in the immediate area of the Bay Center site. The hotels shown on the right are existing, under construction, renovation and final planning stages, within a 3-mile radius from the Site. None of these are walkable or adjacent to the PBC.

To the east of the PBC are hotels such as the Hilton Garden Inn (144 rooms) and Courtyard by Marriott (120 rooms), both of which are less than one mile from the facility.

The 106-room Holiday Inn Express is also less than one mile from the Bay Center, towards the south end of Palafox. The closest properties to the north and west are generally smaller boutique hotels and bed and breakfasts.

Of the seven planned hotels, the closest one to the PBC site will be the Hotel Tristan Pensacola, approximately a half-mile to the west. The other planned hotels are south of Garden Street, closer to the bay.



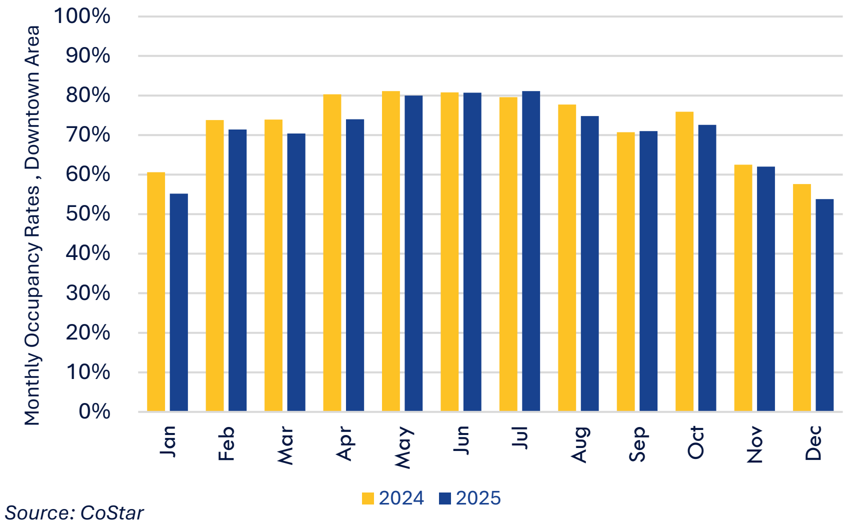
Source: CoStar

Hospitality and Tourism

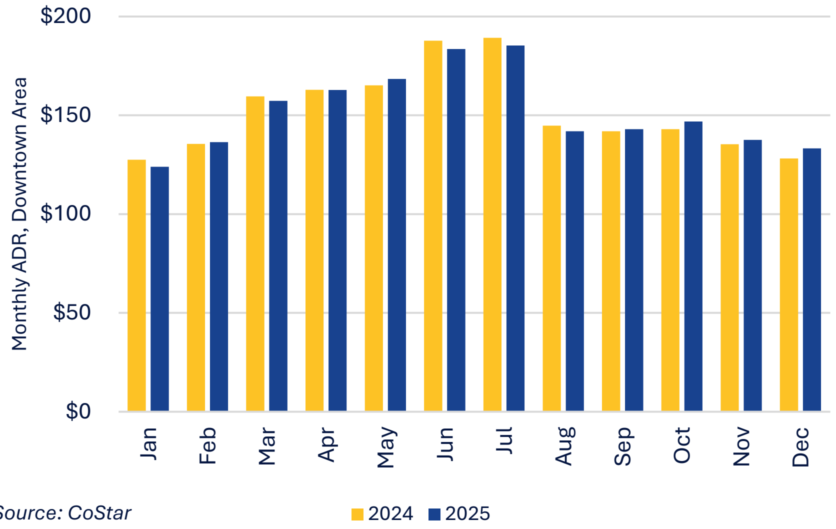
In both downtown and the 3-mile radius, monthly occupancy rates generally peaked in the spring and summer. Overall market occupancy exceeded 70% from May through July; however, downtown hotels exceeded 70% in all months except November, December, and January. Room rates have a similar seasonality, with the highest rates in the spring and summer. Both occupancy and room rates are slightly more consistent year-round downtown than throughout the market.

In the broader market, the overall annual occupancy rate has been approximately 63% in the last two years, and ADR has been approximately $140. There are not enough luxury rooms in the market for detailed operating data to be reported for this segment; however, upper midscale/upscale rooms outperformed economy/midscale rooms on both occupancy and rate (72% vs. 54% and $161 vs. $85). In the smaller geographic area surrounding downtown, the annual occupancy rate (73% in 2024 and 71% in 2025) and ADR ($152 in both years) outperformed the overall market. The occupancy rate in downtown Pensacola also exceeded the statewide average (approximately 70% in 2024 and 2025). The state's overall ADR was $187 in the two years.

In addition to hotels, the area also has a large inventory of vacation rentals. There are approximately 11,000 available units, which is slightly more than the number of hotel rooms, and this number has increased from approximately 7,600 in 2014. In the last few years, the occupancy rate of these rentals has been approximately 55% with an ADR ranging from $225 to $235.



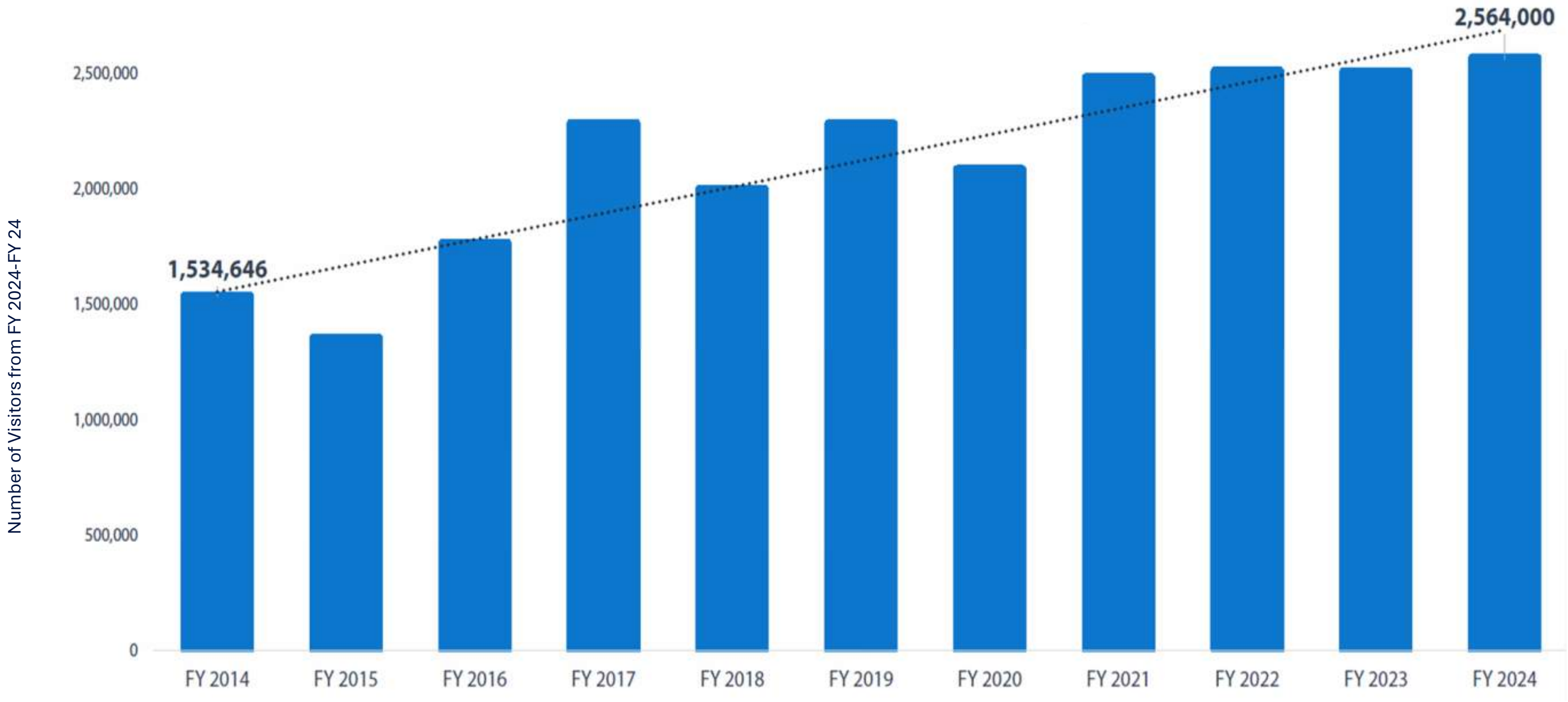
Source: CoStar



Source: CoStar

Tourism

In the 2014 fiscal year, the area attracted 1.5 million visitors, and this increased to approximately 2.6 million visitors in FY2024.



Source: Visit Pensacola

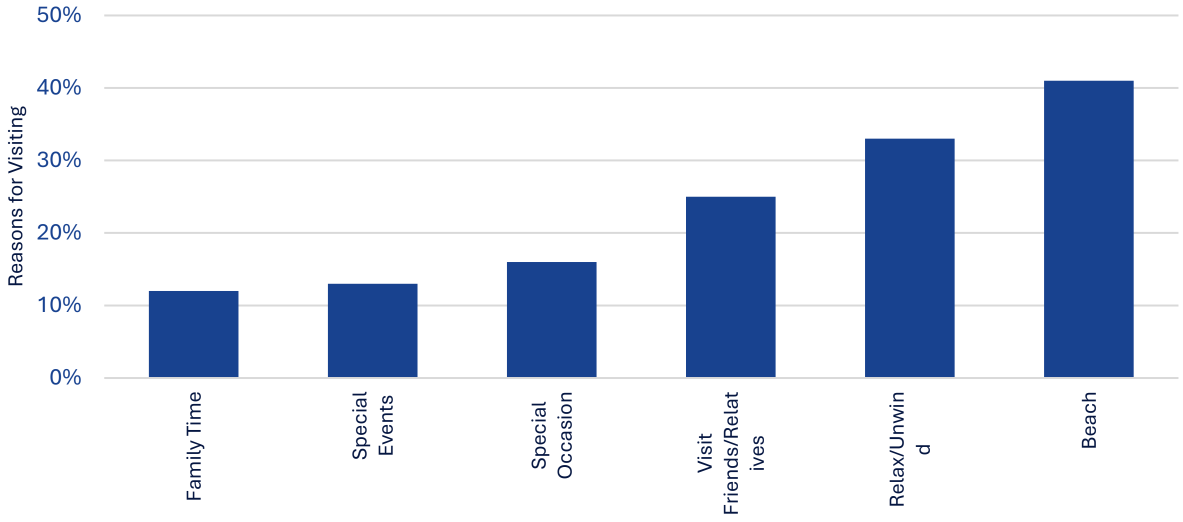
Tourism – Visitor Attributes

The Pensacola area is clearly a strong vacation destination, which can aid in its ability to attract meetings business. Because the area currently lacks a major venue for conventions and other similar events, its visitor profile is skewed more towards leisure demand than it might otherwise be. However, the following information summarizes various characteristics of Pensacola-area tourism.

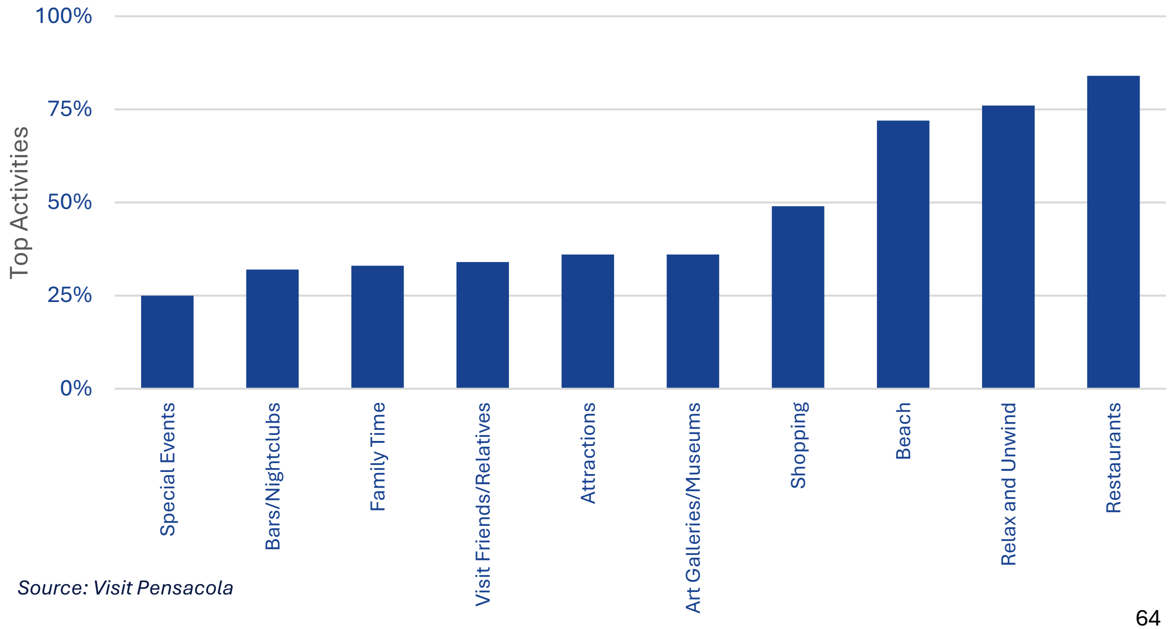
The beach is the most popular reason (41%) for visiting the area, followed by relaxing and unwinding, which can be closely associated with the beach rather than business travel. The other top reasons – including visiting friends and relatives and attending special events, which are also typically associated with leisure travel.

Activities that visitors participated in are generally consistent with their reasons for visiting, including leisure activities and attractions such as the beach, restaurants, shopping, and art galleries and museums.

The following graphs summarize the top reasons that tourists have cited for visiting the Pensacola area, and the activities that they participated in.



Source: Visit Pensacola



Source: Visit Pensacola

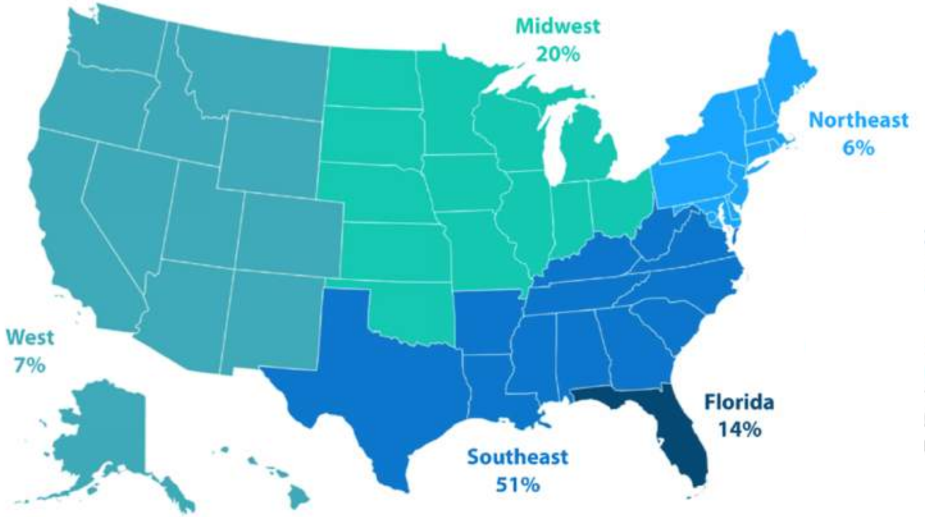
Visitors Origination

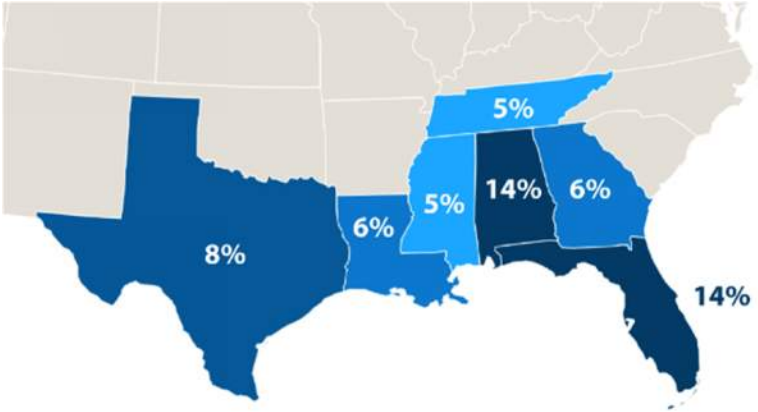
Pensacola is largely a regional destination. Of visitors, 14% come from Florida and an additional 51% come from one of the 12 other states that comprise the Southeast region.

- 65% of visitors come from the Southeast Region
- The individual states with the largest share of visitors are Florida and Alabama (14% each), followed by Texas (8%)
- Georgia and Louisiana (6% each), and Mississippi and Tennessee (5% each).
- 2% of tourism is international, primarily from Ontario, the UK, Germany, and France.

Because of the relative proximity of visitors' homes to Pensacola (and despite the strength of its airport), most tourists drive to the area.

According to Visit Pensacola, 82% of visitors arrive in Pensacola by car. Of the remaining 18%, most fly into PNS. A very small number (less than 1%) fly into Panama City, Mobile, and Gulfport-Biloxi.





Source: Stone Planning LLC

Key Takeaways

- Pensacola demonstrates strong fundamentals that support the development of a new convention facility. Its sizeable local population, military presence, strong tourism economy, and status as the region's primary air-travel gateway all contribute to a reliable and diverse base of demand.
- The City's unique combination of a true and cultured downtown, the beach and associated leisure offerings, and a supportive business and military community offer a compelling offering that differentiates Pensacola from other regional destinations and position it competitively within the Gulf Coast market.
- Market conditions clearly indicate a gap in the region's current facility inventory. Existing venues like the Bay Center and the Hilton Pensacola Beach lack the exhibit, ballroom, and meeting space required to host many conventions, trade shows, and association events.
- A modern facility offering approximately 50,000 square feet of divisible exhibit space, alongside flexible ballroom and meeting rooms, would address this capacity shortfall, attract events that currently bypass Pensacola, and provide space for existing events to grow.
- Additionally, because meetings activity is often concentrated outside of the summer season, a new convention center would help drive demand during shoulder periods, stabilizing visitation and strengthening the local hospitality economy.
- While opportunities are significant, several risks must be acknowledged. These include regional competition from Mobile's expanded airport and convention center, the need for adequate hotel room inventory in immediate proximity to the facility, and the financial challenges common to publicly owned convention centers.
- However, these risks can be mitigated through strategic planning, including coordinated hotel development, careful site selection to ensure walkability, partnership or shared-services models with the PBC, and a phased approach to planning that incorporates deeper market analysis, stakeholder engagement, and detailed operational projections. This can also include deeper engagement with local corporates and associations to determine programming.
- A new convention facility represents a strong opportunity for Pensacola to expand its event-hosting capabilities, strengthen its tourism and business economy, and better meet the needs of local and regional organizations. With thoughtful planning and risk-mitigation strategies, the project has the potential to deliver long-term economic and community benefits.
- At the time of generating this report, a lost business is not available to complete the analysis to determine how much business was turned away due to lack of a convention center. It is also notable that destinations which are not known for convention centers do not attract inquiries as well.

Options Analysis

Convention Center

- Local and Regional
- Comparable Facilities

Ice Rink

Indoor Sports Complex

Empowering growth.

Section Overview

This section examines all three options, with an emphasis on the convention centers. The structure includes an evaluation of demand generators to gauge industry growth or decline, followed by a SWOT analysis, and concludes with examples of comparable facilities and key takeaways.

For the convention center option, the section outlines the Pensacola-area venues that would influence a new downtown convention center. Many of these facilities would compete but some may also serve complementary roles.

The analysis starts with the Bay Center and other existing Pensacola venues, including the PBC and the Hilton Pensacola Beach, before moving to regional competitors ranked by total square footage.

Finally, the section ends with a slide comparing event-hosting square footage and capacity against Pensacola's current exhibit space, highlighting the existing shortfall.

Option A: Convention Center

Convention Center

Demand Generators

- Convention attendance across the United States is climbing, rising more than 15 percent in 2023 compared with the previous year, according to the Center for Exhibition Industry Research.
- In-person conventions and meetings have rebounded to near pre-pandemic levels, reflecting strong demand for face-to-face events.
- As convention center owners modernize aging facilities and expand to stay competitive, they are increasingly designing buildings that connect more seamlessly with their urban surroundings.
- Current trends emphasize flexible, technology-enabled spaces that support hybrid events and rapid reconfiguration, along with stronger integration with hotels and entertainment districts to create a cohesive visitor experience. Many upgrades also prioritize sustainability and wellness, such as natural lighting and outdoor spaces, to enhance overall appeal. These renovation and expansion efforts are driving activity in P3s, hotel development, mixed-use projects, improved parking and transit connectivity, and expanded public gathering areas.

Despite the significant investment required, convention centers generate meaningful economic impact. Visitors fill nearby hotels, restaurants, and attractions, channeling tourism spending and supporting local jobs, often producing far greater economic benefits than the venue's direct revenue or operational subsidies.

Recent Convention Centers Announced in Florida

- City leaders in Kissimmee, Florida will soon launch a $120 million project to construct a new hotel and convention center. The city will finance and own the $60 million convention center, and private sector developers will invest approximately $60 million in a 300-room hotel within walking distance of the convention center. The 45,000-square-foot event center will be designed to serve as a regional facility for community gatherings, business events and an entertainment venue to attract visitors. Pre-construction work is expected to begin when site fencing is installed, which is anticipated to be completed in mid-2026. Additional solicitations will follow shortly after that. Plans call for the new facility to be completed by late 2028.
- A $125 million renovation project for the Palm Springs Convention Center is being planned. City leaders have already selected a new management firm to operate the facility. The project will modernize meeting rooms, exhibition halls, and nearby facilities. Design plans call for outdoor event space and an indoor/outdoor social area. This project will also be designed to include significant improvements to make it more attractive and competitive – one that can accommodate large-scale national conventions, national association meetings, and major entertainment events. Updates will include space for local food and beverage kiosks, and also for public art displays. Design started in July 2025, and construction is scheduled to begin in November 2026.

SWOT Analysis – Convention Center

Strengths

- High community support for a convention center relative to other options (per survey results and stakeholder feedback).
- Central downtown location near the PBC, offering visibility and synergy with existing venues.
- Growing tourism market and regional appeal for events, boosting demand potential.

Weaknesses

- Strong unmet demand for flexible event, meeting, and sports spaces in the region
- Zoning/height restrictions requiring variances or overlays to enable a hotel or vertical solutions.
- Dependence on adjacent hotel development to ensure event competitiveness.

Opportunities

- Strong unmet demand for flexible event, meeting, and sports spaces in the region.
- Ability to reposition Pensacola as a Gulf Coast convention destination with multi-modal mobility improvements.
- Land-swap or alternative site scenarios that could enhance TIFIA eligibility and access to federal funding.

Threats

- Competition from regional facilities with larger event footprints or connected hotels.
- Economic shifts that may impact tourism, conventions, and private investment appetite.
- Parking displacement and traffic concerns if vertical solutions are delayed or cost-prohibitive.
- Stakeholder resistance if program elements (e.g., sports courts, hotel adjacency) are not considered.

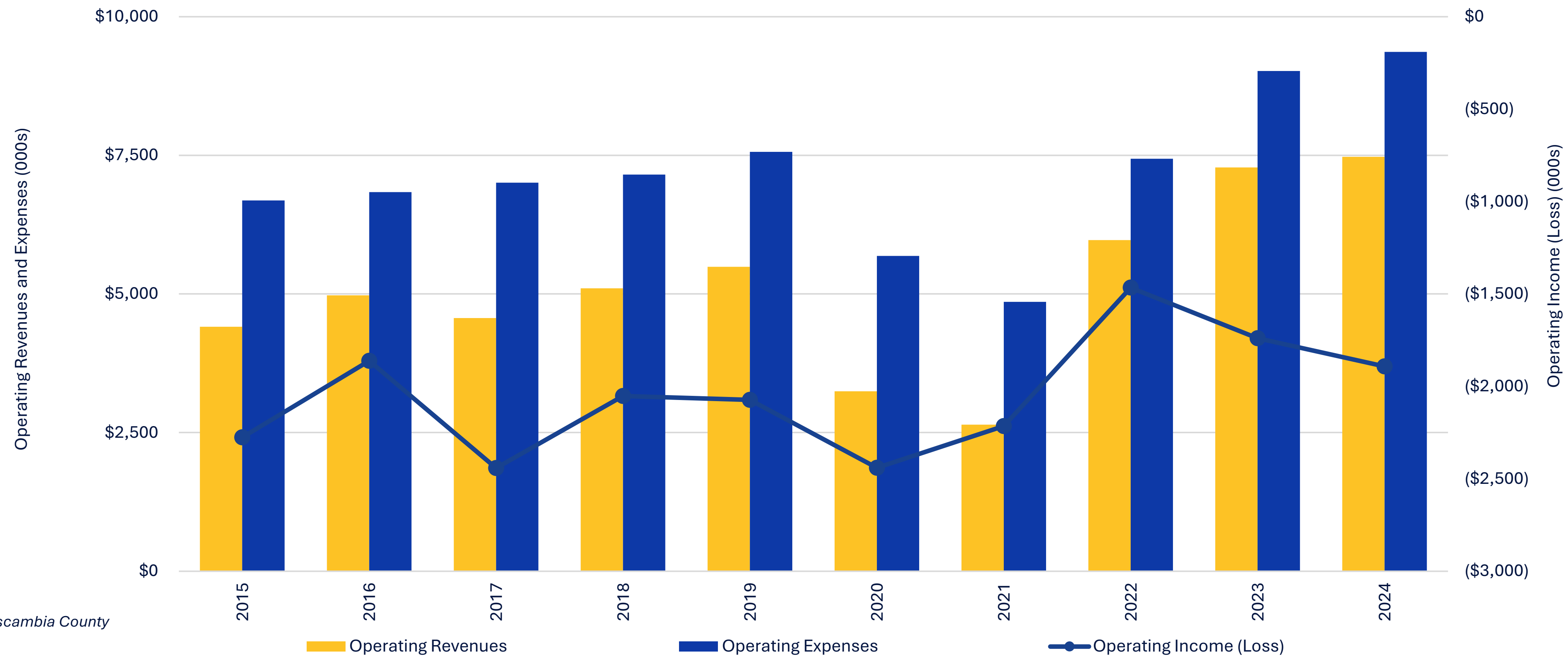
Pensacola Bay Center, Pensacola, FL

PBC

- PBC is a multipurpose arena that is owned by Escambia County and operated by Legends. The arena opened in 1985 and has a maximum event capacity of 10,000 (with approximately 8,000 permanent seats), in addition to 12 meeting rooms with 13,000 square feet, and 20,000 square feet of event space on the arena floor.
- The Bay Center is the largest spectator event venue in Pensacola, and its surrounding property is the assumed site of any new facility development.
- The Pensacola Ice Flyers, part of the Southern Professional Hockey League, are the arena's primary tenant, although the NCAA's Sun Belt Conference annually hosts its men's and women's basketball tournaments in the arena.
- The ice rink is in place for the Ice Flyers from fall through spring, and during this time, it is available to the public for open skating, youth hockey leagues, and figure skating.

PBC Financial Performance (2015 – 2024)

- The arena's operating revenues have ranged from approximately $4.5 million to $7.5 million (with exceptions in 2020/2021), and operating expenses have been $6.7 million to $9.4 million. As a result, its operating deficit has averaged $2 million, with a consistent range of $1.5 million to $2.4 million
- The following chart shows the arena's annual operating revenues, expenses, and deficit for its last 10 fiscal years:



Source: Escambia County

Hilton Pensacola Beach, Pensacola, FL

- The Hilton Pensacola Beach is owned by Innisfree Hotels
- The property is located approximately nine miles from downtown Pensacola.
- Currently, it has the most meeting space (20,000 sq ft) and the largest single event space (6,800 sq ft) in the immediate area.
- The hotel has 275 guest rooms.

Boardwalk Beach Resort Hotel & Convention Center, Panama City Beach

- The facility offers over 40,000 square feet of combined indoor and outdoor meeting space
- Its 20,000+ sq. ft. indoor convention center includes a Grand Emerald Ballroom and 9 breakout meeting rooms, along with a concourse and atrium, accommodating everything from intimate meetings of approx. 25 people to banquets and conferences of up to 2,500 attendees.
- A 9,000 sq. ft. beach-front pavilion offers a covered open-air venue on the resort's private beach. This pavilion can host roughly 125–500 guests
- The center provides full on-site catering and event planning through its dedicated convention services team. Planners and an in-house culinary staff deliver turnkey support.
- The venue is privately owned and operated by Royal American Hospitality (part of the Boardwalk Beach Resort), rather than a public entity. This integrated resort setting means event organizers benefit from on-site hotel accommodations and recreational amenities.

Boardwalk Beach Resort Hotel & Convention Center, Panama City Beach

- Effective Gross Income declined materially, falling 29 percent from 2023 to 2025 (from 64,220 to 43,830), driven primarily by lower Room Revenue (down 17 percent vs 2023) and a very sharp reduction in Food and Beverage Revenues (down 79 percent vs 2024 and 79 percent vs 2023), suggesting either lost group/banquet business, a change in operating model, or revenue leakage.
- Total Operating Expenses decreased 32 percent from 2024 and 32 percent from 2023 (from ~45,5k to ~30,7k), with notable reductions in F&B departmental costs, G&A, R&M, and elimination of Payroll and Benefits, resulting in an improved Operating Expense Ratio in 2025 (70.1 percent) compared with 2024 (74.0 percent), roughly in line with 2023 (70.7 percent).
- Despite the revenue contraction, Net Operating Income only declined about 18 percent versus 2023 (from 15,944 to 13,110) due to aggressive cost cuts, but this cost structure may not be sustainable long term, especially given the apparent absence of Payroll and Benefits in 2025, which is atypical for lodging operations.
- Net Cash Flow followed a similar pattern, trending down from 13,765 (2023) to 11,266 (2025), with DSCR metrics weakening each year; NOI DSCR fell from 2.13 (2023) to 1.74 (2025) and NCF DSCR from 1.84 to 1.49, still above 1.0 but moving closer to potential covenant pressure if the trend continues.
- Occupancy improved to 72 percent in 2025 from 68 percent in 2024 and 69 percent in 2023, which, combined with the revenue decline, implies meaningful ADR compression and or significant mix shift away from high-spend guests and F&B-driven business, highlighting pricing and revenue management as key focus areas.

	31-Dec-2025	31-Dec-2024	31-Dec-2023
Income			
Room Revenue	$41,683.40	$49,181.71	$50,263.78
Food & Beverage Revenues	$3,452.19	$17,748.66	$16,732.21
Telephone Revenue	$9.65	$11.89	$14.06
Other Departmental Revenue	$862.75	$6,086.04	$5,019.54
Other Income	$697.40	$587.08	$779.74
Effective Gross Income	**$43,829.98**	**$61,470.25**	**$64,220.39**
Operating Expenses			
Room (Departmental)	$10,188.27	$12,553.28	$12,302.55
Food & Beverage (Departmental)	$3,911.57	$11,474.12	$10,162.99
Telephone Expenses (Departmental)	$290.69	$356.58	$331.69
Property Insurance	$2,168.84	$3,130.97	$3,184.85
Utilities	$1,790.00	$2,031.96	$2,079.28
Repairs and Maintenance	$2,172.26	$3,607.80	$3,293.37
Franchise Fee	$3,233.94	$3,185.97	$4,010.38
Management Fees	$1,490.24	$2,055.93	$2,055.77
Payroll & Benefits	-	$47.92	$3,207.75
Advertising & Marketing	$3,030.29	$3,703.43	$3,392.89
Professional Fees	$969.74	$1,932.63	$241.18
General & Administrative	$4,400.10	$6,739.08	$6,308.95
Other Expenses	$123.19	$1,103.50	$2,320.62
Ground Rent	-	$20.29	$81.18
Total Operating Expenses	**$30,719.89**	**$45,512.27**	**$45,385.94**
Net Operating Income	**$13,110.09**	**$15,957.99**	**$15,943.57**

Destin-Fort Walton Beach Convention Center, Fort Walton Beach, FL

- The Destin-FWB Convention Center is located on Okaloosa Island, approximately 40 miles east of Pensacola. The convention center was built in 2003 and renovated in 2019.
- The facility, which is owned by Okaloosa County, has 25,000 square feet of indoor event space, including the 21,000-square foot Emerald Grand Ballroom, and 30,000 square feet of outdoor space.
- There are multiple beachfront hotels across the street from the convention center, including a Holiday Inn, Hilton Garden Inn, and Hampton Inn, and a total of nearly 1,000 rooms within a half mile.
- The facility hosted 110 events and 54,000 attendees; however, not including internal events, there were 74 events and 51,000 attendees. Since 2012, the total number of events has generally decreased from more than 200, and attendance has approached 80,000.
- In recent years, convention center events have included a gymnastics competition, the Emerald Coast Autism Gala, the National Fire Control Symposium, the Beat Down at the Beach (an MMA competition), an RV show, the Armstrong McCall Hair Show, and Air Force Initial Mission Command Training (with senior officials from the Pentagon and worldwide bases).
- The facility has begun working with local military bases to develop an Inter-Governmental Support Agreement that would streamline the contracting process for facility usage.

Destin-Fort Walton Beach Convention Center, Fort Walton Beach, FL

	# of Events	Avg. Attendees	Total Attendees
Competition	15	1,621	24,308
Banquet	12	468	5,615
Convention	6	329	1,975
Exhibition/Trade Show	11	615	6,766
Festival/Special Event	4	579	2,314
Meeting	10	179	1,788
Performance	7	858	6,006
Seminar	3	117	352
Social	6	301	1,805
Internal	36	89	3,217
Total	110		54,146

Sandestin Golf and Beach Resort, Miramar Beach, FL

Linkside and Baytowne Conference Centers

- The resort, which is 87 miles from Pensacola, is a 2,400-acre complex in Miramar Beach and is privately owned by the Becnel family.
- The resort has hotel rooms, in addition to condos, homes, and villas (with a total of more than 1,200 rental accommodations), as well as multiple golf courses and a tennis and pickleball club.
- The resort is not close to a major airport (it is approximately one hour from Fort Walton Beach's airport and 75 minutes from PNS).
- The resort has two separate conference centers, the Baytowne Conference Center and the Linkside Conference Center, both of which have approximately 25,000 square feet of indoor exhibit, ballroom, and meeting space.
- Baytowne's approximately 23,000 square feet of indoor event space consists of meeting rooms and ballrooms.
- Linkside has a 12,600-square foot exhibit hall, in addition to its meeting rooms and ballrooms.

Linkside Conference Center

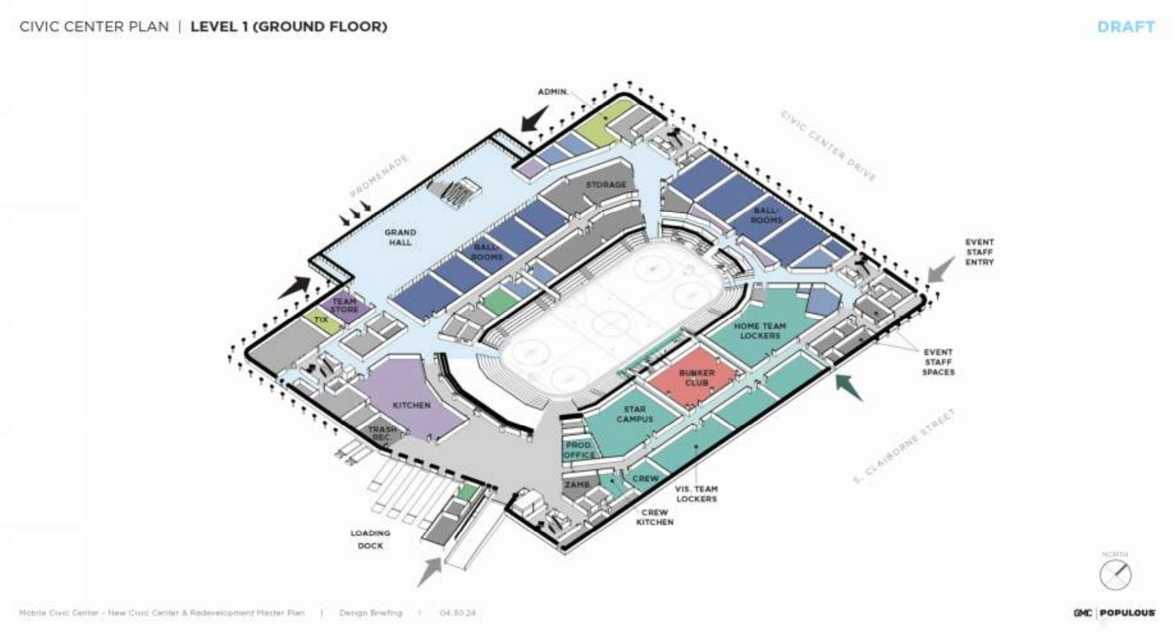
Table 3.3. Baytowne Conference Center Event Spaces

Arthur R. Outlaw Mobile Convention Center, Mobile, AL

- The Outlaw Mobile Convention Center is the largest in the immediate area, with 100,000 square feet of exhibit space.
- The facility is approximately 60 miles northwest of Pensacola and owned by the City of Mobile and operated by the Oak View Group. Numerous hotels are within walking distance of the convention center.
- In addition, a new arena is under construction at the site of the former Mobile Civic Center, which is less than one mile from the convention center.
- The $300-million arena will open in 2027 and have a maximum capacity of approximately 10,000.
- In addition to hosting ticketed sports and entertainment events, the arena is also being designed to host Mardi Gras events, with multiple adjacent ballrooms.

Arthur R. Outlaw Mobile Convention Center, Mobile, AL

- Based on operating revenues of $2.5 million and expenses of $11.5 million, the resulting operating loss was $9.1 million. However, it also received nearly $13 million in room and sales tax revenues.
- In the last 10 years (not including 2020 and 2021), its operating deficit averaged nearly $7 million per year.



Year Ended Sep 30, 2024	US$ in 000s
Operating Revenues	
Charges for Services	$525
Facility Rent	819
Parking	257
Concessions	636
Other Revenue	223
Total Operating Revenue	**$2,460**
Operating Expenses	
Personnel Services	$3,165
Commodities	847
Utilities	725
Professional and Technical	605
Maintenance and Repairs	66
Insurance	531
Event Expenses	85
Other Charges	4,113
Depreciation	1,393
Total Operating Expenses	**$11,530**
Operating Income (Loss)	($9,070)

Foley Event Center, Foley, AL

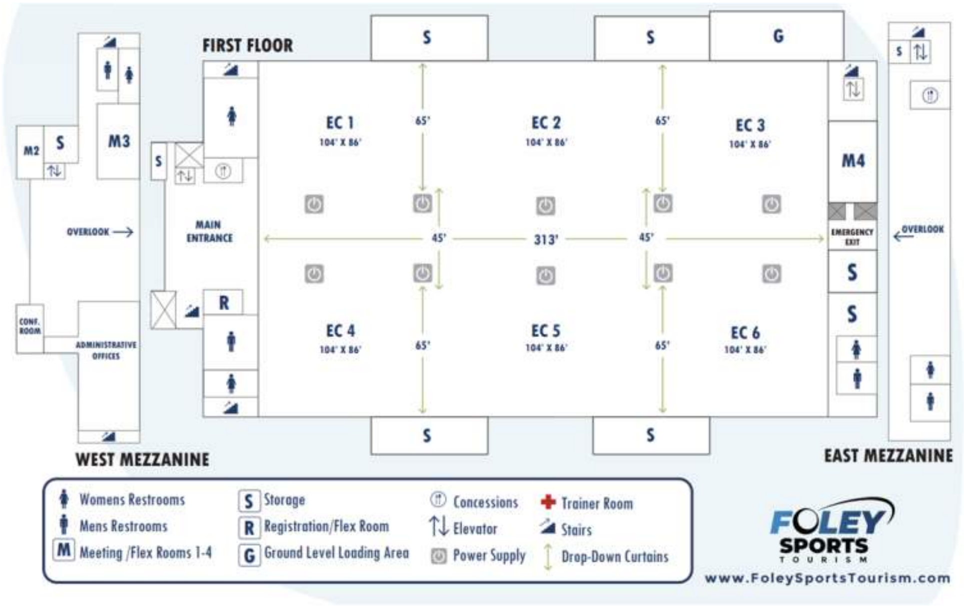
The Foley Event Center emerged as a consistent reference point in stakeholder feedback, cited both as a successful model for Pensacola and as a destination residents regularly visit for tournaments and events.

The Foley Sports Tourism Complex includes the 90,000+ sq ft Foley Event Center, as well as 16 outdoor sports fields. It is operated by Foley Sports Tourism, a department of the City of Foley, and is a versatile indoor facility that accommodates basketball, volleyball, cheerleading, gymnastics, dance and tradeshows.

Total Size: 90,565 sq. ft., Main Floor: 55,395 sq. ft.

- 6 Competition Basketball Courts
- 12 Volleyball Courts and 12+ Pickleball Courts

Foley is not designed as a traditional convention center and offers less space and fewer courts than the current proposed sports complex (See Conceptual Design and Site Integration). Even so, it provides an important regional benchmark for understanding scale, usage patterns, and multi-purpose design.



The Lodge At Gulf State Park, Gulf Shores, AL

- The Lodge at Gulf State Park reopened in 2018 after being destroyed by Hurricane Ivan in 2004.
- The property is owned by the State of Alabama and operated by Hilton through the Alabama Department of Conservation and Natural Resources.
- It is located in the 6,150-acre Gulf State Park, approximately 25 miles from Pensacola and has approximately 40,000 square feet of event space and 350 hotel rooms.
- Its largest individual room is the 12,200-square foot Gulfview Ballroom, which has a maximum capacity of 1,300.

Perdido Beach Resort, Orange Beach, AL

- The Perdido Beach Resort is approximately 25 miles west of Pensacola in Orange Beach.
- It has 344 hotel rooms and suites.
- The property has approximately 32,000 square feet of indoor meeting space and 14,000 square feet of outdoor space. Its largest room, the 8,500-square foot Grand Ballroom, has a maximum capacity of 1,000 people.

Key Takeaways

- Throughout the Gulf Coast, most competitive venues provide between 25,000 and over 50,000 square feet of versatile ballroom, exhibit, and meeting space. In contrast, Pensacola's largest existing rooms only offer about 25–30% of the average size and seating capacity found in comparable Gulf Coast convention and resort locations, and these larger rooms are scarce.
- While Pensacola is a highly appealing destination, its facilities do not reflect the strength of its brand.
- Regional competitors are improving their offerings, increasing the consequences of inaction. Several nearby markets are either expanding or renovating their facilities, such as Mobile with its new 10,000-seat arena and existing major convention center, as well as Kissimmee and Palm Springs as statewide examples.
- Pensacola has strong demand drivers but lacks the appropriate facility to fully capitalize on them.
- The risks involved are significant but can be managed with the right approach. Key risks include reliance on hotels (without a hotel, the center may underperform), competition from regional markets (such as Mobile's expansion and Destin's resorts), parking challenges at the Pensacola Bay Center, and the need for public subsidies, which are common for all convention centers. Additionally, beyond capacity, there is a demand for a modern space that improves the overall experience.
- More details on capacity and features can be found in Appendix B.

Ref.	Venues	Location	SF
A.	**Pensacola Venues**		
1	PBC	Pensacola, FL	33,000
2	Hilton Pensacola Beach	Pensacola, FL	20,000
B.	**Non-Pensacola Venues**		
1	Boardwalk Beach Resort Hotel & Convention Center	Panama City Beach, FL	31,000
2	Destin–Fort Walton Beach CC	Fort Walton Beach, FL	25,000
3	Sandestin – Linkside	Miramar Beach, FL	28,000
4	Sandestin – Baytowne	Miramar Beach, FL	23,000
5	Arthur R. Outlaw Mobile Convention Center	Mobile, AL	141,000
6	Foley Center	Foley, AL	90,000
7	The Lodge at Gulf State Park	Gulf Shores, AL	40,000
8	Perdido Beach Resort	Orange Beach, AL	32,000
	Average of Non-Pensacola Venues (8)	Avg.	44,138
	Average minus Mobile Convention Center and Foley Event Center	Avg.	27,183

Excludes outdoor space

Comparable Facilities

Empowering
growth.

Comparable Facilities

In this section, we analyze the characteristics of multiple facilities in other markets that can potentially be used as models in the planning of a new convention center in Pensacola.

The Wilmington Convention Center in Wilmington, NC, is the closest match to Pensacola given similar key attributes. With an attached hotel, this convention center will be close to what Pensacola could envision.

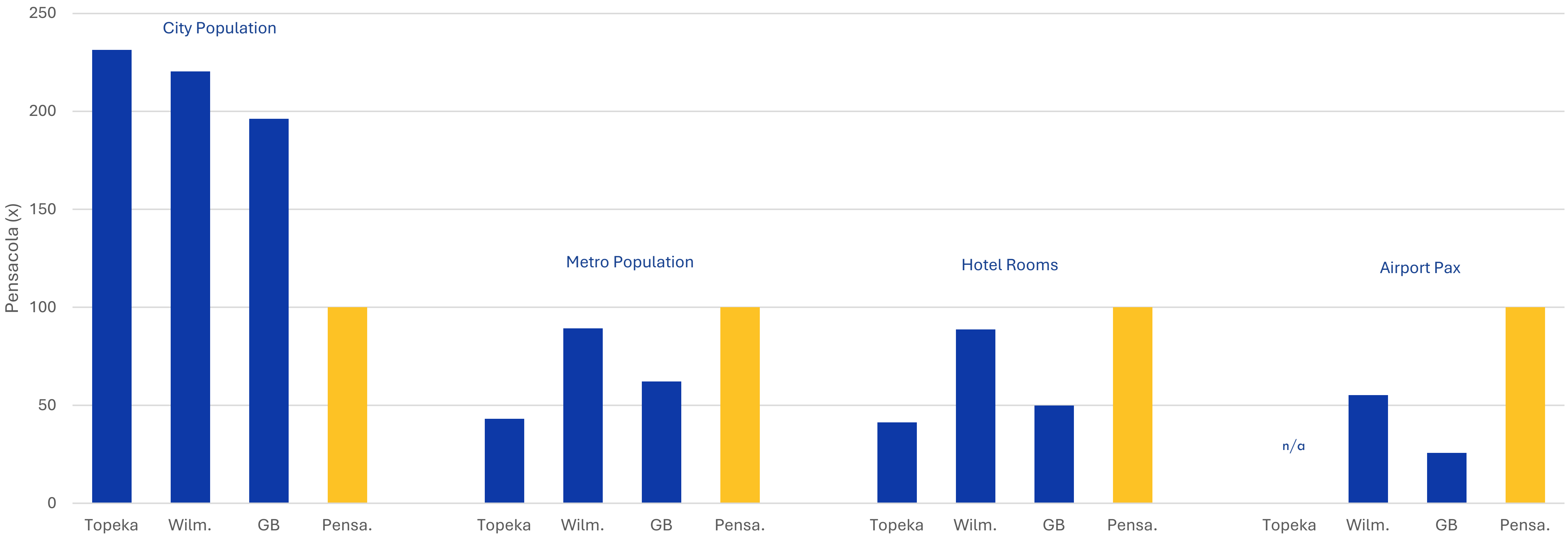
- The Wilmington Convention Center – a standalone, riverfront convention center in downtown Wilmington that is approximately 10 miles from the coast and has 47,000 square feet of exhibit, ballroom, and meeting space. It is attached to one hotel and within walking distance of several others.

Other comparable venues include The Resch Complex in Green Bay, WI, and Stormont Vail Event Center in Topeka, KS. Both buildings are attached to arenas, similar to how PBC and the new convention center would operate.

- The Resch Expo – its primary event space in the complex consists of 125,000 square feet of multipurpose exhibit halls and it is attached to an approximately 10,000-seat arena. There are multiple hotels within walking distance of the Resch Expo.
- The Stormont Vail Event Center's Exhibition Hall – is also attached to an arena (with 7,000 seats) and has 73,000 square feet of event space but does not have meeting rooms. The facility is attached to a hotel.

Characteristics of Comparative Facilities Markets

The following chart summarizes various characteristics of each facility's market relative to Pensacola. City and metro area population, the number of hotel rooms, and the number of annual airport passengers are indexed to Pensacola.

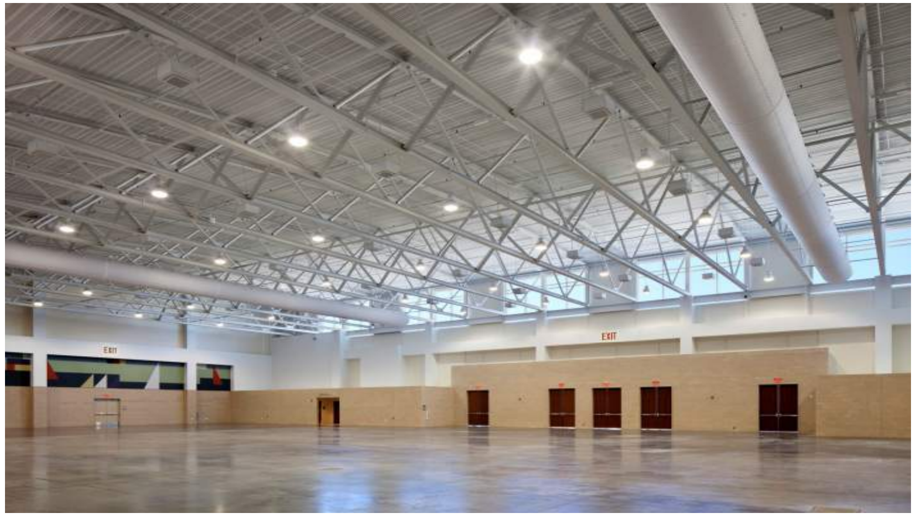


Source: CoStar, Stone Planning Research

Wilmington Convention Center, Wilmington, North Carolina

Facility Information

- The Wilmington Convention Center is owned by the City of Wilmington and operated by Legends. The $62-million facility opened in November 2010.
- The 107,000-square foot convention center has approximately 47,000 square feet of event space and includes a 578-space parking deck and a 12,000-square foot outdoor event lawn.
- It is located in downtown Wilmington's River District, on the Cape Fear River and approximately 10 miles from the coast and is the largest convention center on North Carolina's coast.
- The convention center is connected to the 186-room Embassy Suites Wilmington (which opened in 2018) and adjacent to the 125-room Hotel Wilmington, and several other riverfront hotels are within walking distance.
- Since the facility opened, surrounding development has included an amphitheater, additional hotels, residential, and retail. The Wilmington International Airport is 4 miles from the facility and has 31 direct flights daily. Wilmington is approximately 130 miles from Raleigh and 75 miles from Myrtle Beach.

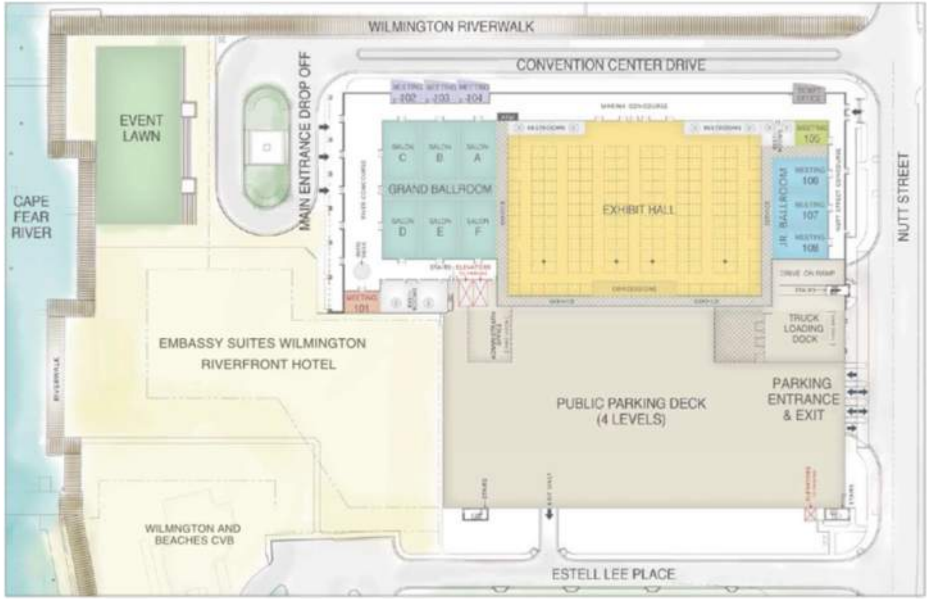


Wilmington Convention Center, Wilmington, North Carolina

Facility Layout

The facility has a 30,000-square foot exhibit hall, 15,000 square feet in two ballrooms, and 1,700 square feet of meeting space. The amount of meeting space relative to exhibit and ballroom space is relatively low, and this limits the facility in attracting larger conventions and trade shows, as well as other events that require breakout space. To compensate, the convention center will use part of a ballroom as meeting space but this presents other issues. While this generally limits the facility from hosting national conventions, it does host regional events.

The following image shows the layout of the facility and its immediate surroundings, followed by a summary of the event spaces' size and capacities:



	SF	Capacities			
		Reception	Banquet	Classroom	Booths
Exhibit Hall	30,100	3,010	1,510	2,080	140
Grand Ballroom	11,800	1,180	590	810	83
Division 1	5,040	500	250	350	35
Subdivision A	1,680	170	80	120	12
Subdivision B	1,680	170	80	120	12
Subdivision C	1,680	170	80	120	12
Division 2	5,040	500	250	350	35
Subdivision D	1,680	170	80	120	12
Subdivision E	1,680	170	80	120	12
Subdivision F	1,680	170	80	120	12
Junior Ballroom	3,500	350	180	240	25
Division 1	1,170	120	60	80	8
Division 2	1,170	120	60	80	8
Division 3	1,170	120	60	80	8
Meeting Rooms	1,700	170	90	120	--
101	500	50	30	30	--
102	500	50	30	30	--
103	500	50	30	30	--
104	500	50	30	30	--

Wilmington Convention Center, Wilmington, North Carolina

Facility Financials

- In the last three years, the number of events and event days have averaged 100 and 228, respectively. Total attendance has ranged from 56,000 to nearly 83,000. Conventions, social events, and meetings comprise the majority of usage, driven largely by regional associations and the military. The facility hosts approximately 10 to 15 military balls per year (largely in November), and an individual event can have more than 1,000 attendees.
- According to facility data, approximately half of the convention center's visitors are from more than 100 miles from Wilmington.

Events	FY20	FY21	FY22	FY23	FY24
Conventions/Conferences	19	1	20	32	28
Banquets/Social Events	48	8	29	32	37
Meetings	44	142	27	12	15
Consumer/Trade Shows	10	4	10	10	10
Sports/Competitions	2	3	8	6	6
Assemblies	5	0	2	3	4
Other	1	5	7	2	0
Total	129	163	103	97	100
Event Days					
Conventions/Conferences	56	3	75	125	106
Banquets/Social Events	52	8	33	47	38
Meetings	49	149	35	18	19
Consumer/Trade Shows	18	16	28	35	34
Sports/Competitions	5	7	20	20	19
Assemblies	5	0	2	4	4
Other	2	8	18	3	0
Total	187	191	211	252	220
Attendance					
Conventions/Conferences	8,300	200	6,400	12,800	9,900
Banquets/Social Events	25,400	1,100	8,800	15,900	17,500
Meetings	2,300	3,400	1,900	800	1,300
Consumer/Trade Shows	12,000	3,300	23,400	16,900	29,600
Sports/Competitions	3,700	6,400	14,400	20,000	22,500
Assemblies	1,600	0	600	800	1,700
Other	700	2,400	900	400	0
Total	54,000	16,800	56,400	67,600	82,500

Wilmington Convention Center, Wilmington, North Carolina

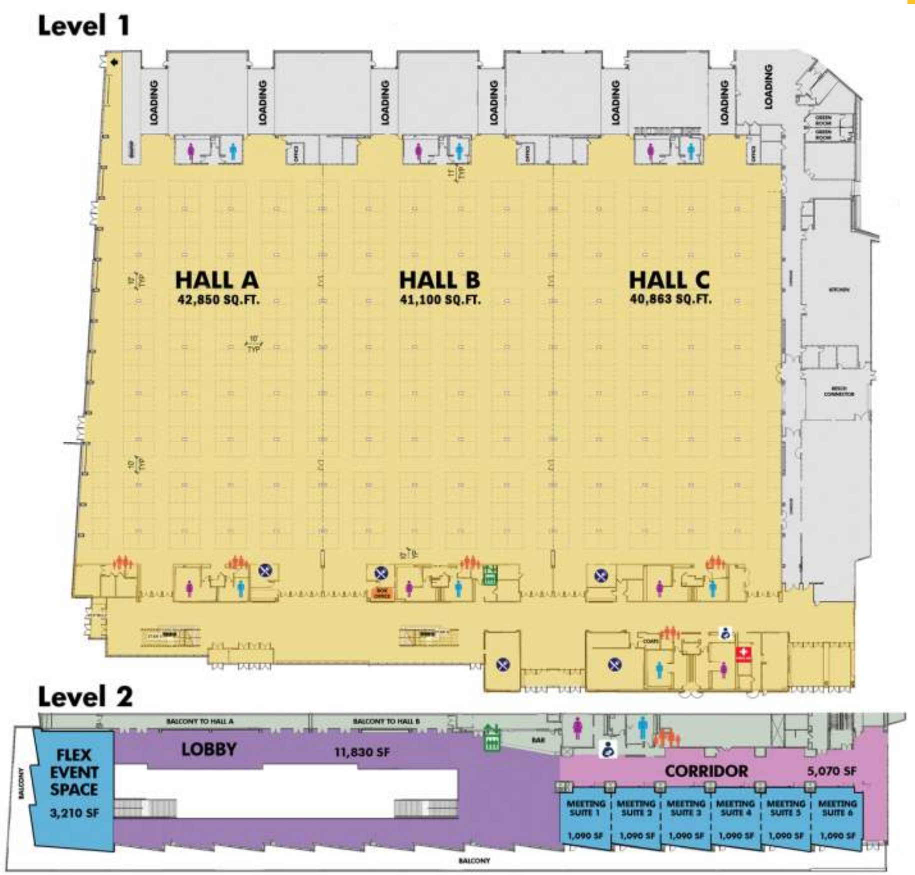
- The following table summarizes the facility's revenues and expenses for the five years (in thousands).
- Not including 2021 (due to COVID), the last five years have included two years of deficits ($380,000 and $1.5 million) and two years of breakeven operations.

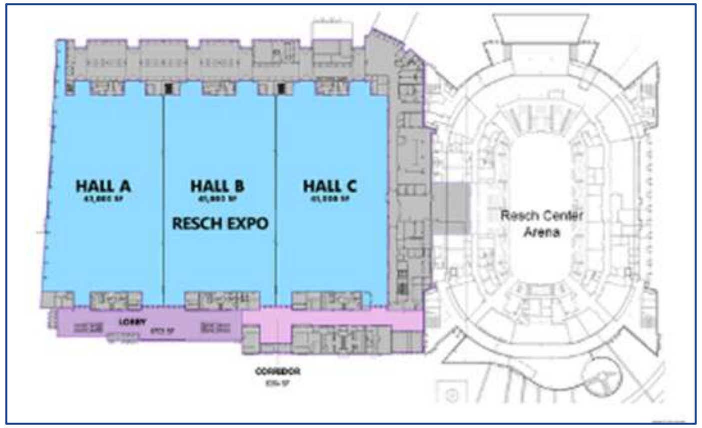
As Stated	US$ in 000s				
Operating Revenue	FY20	FY21	FY22	FY23	FY24
Facility Rental	$444	$161	$650	$640	$724
Event Services	640	146	487	412	449
Catering	2,313	64	1,477	2,946	3,066
Concessions	15	2	63	74	106
A/V	0	0	0	365	380
Other	110	16	87	11	4
Total	$3,522	$389	$2,764	$4,448	$4,729
Departmental Expenses					
Catering	$915	$41	$637	$1,146	$1,114
Concessions	10	1	43	46	70
A/V	0	0	0	225	234
Event Services	619	147	629	349	389
Total	$1,544	$189	$1,309	$1,766	$1,807
Net Operating Income	$1,978	$200	$1,455	$2,682	$2,922
Non-Operating Expenses					
Salaries & Benefits	$1,326	$965	$1,060	$1,499	$1,674
Administrative & General	398	254	311	436	483
Repairs & Maintenance	135	109	131	152	184
Supplies & Equipment	63	34	24	48	46
Utilities	194	150	190	202	215
Total	$2,116	$1,512	$1,716	$2,337	$2,602
Other Expenses					
Management Fees	$207	$160	$225	$264	$273
Insurance	35	27	23	42	63
Total	$242	$187	$248	$306	$336
Net Income (Loss)	($380)	($1,499)	($509)	$39	($16)

Resch Expo, Green Bay, Wisconsin

Facility Information and Layout

- The Resch Expo opened in January 2021 in Green Bay (technically the Village of Ashwaubenon), across the street from Lambeau Field and its Titletown district. It is owned by Brown County and privately operated by PMI and replaced the former Brown County Veterans Memorial Arena and Shopko Hall on the same site.
- The $93-million facility is less of a typical convention center and more of a multipurpose exhibit hall, with 125,000 square feet of column-free exhibit space for events ranging from trade shows to sporting events and others. (The market’s downtown convention center, the KI Convention Center, has 80,000 square feet of event space, including a 17,000-square foot exhibit hall, three ballrooms ranging from 8,000 to 25,000 square feet, and multiple meeting rooms. It is part of a 241-room Hyatt Regency.)
- The exhibit space (called the Capital Credit Union Halls) can be divided into three halls of 41,000 to 43,000 square feet each. In addition to the exhibit halls, there are six meeting rooms (approximately 1,100 square feet each) on a second floor that can be combined into one larger room of 6,500 square feet. The exhibit floor level includes kitchen and concessions facilities, ticketing, and 3,200 square feet of multipurpose event space that leads to the outdoor Bart Starr Plaza.
- The facility is connected to the Resch Center, an approximately 10,000-seat arena that is also operated by PMI. There are approximately 700 hotel rooms within walking distance, and the Green Bay Austin Straubel Airport, which has year-round direct flights to four cities and seasonal flights to two others, is a 10-minute drive from the facility.
- PMI operates Resch Expo under a management contract but has a lease for the arena that assumes its operating risk.



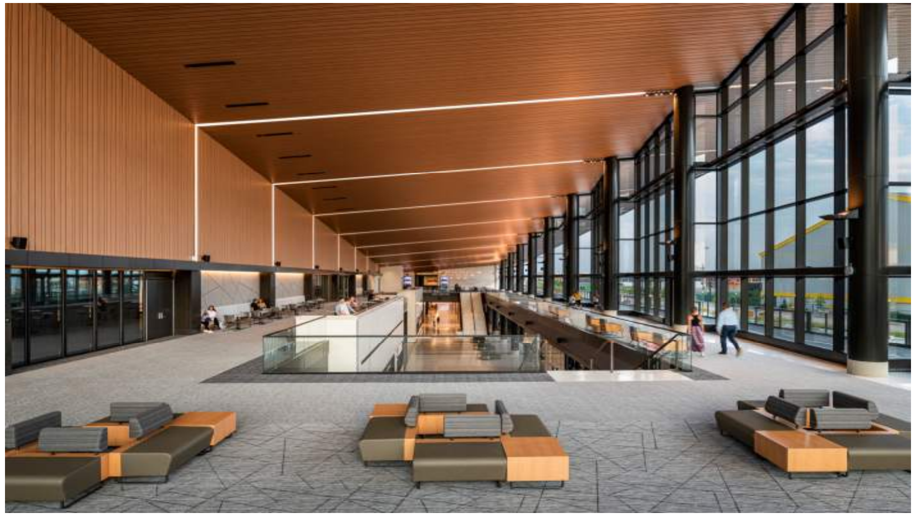


Resch Expo, Green Bay, Wisconsin

Facility Programming

Past and upcoming events at the facility include:

- Business events including the Wisconsin EMS Association conference, the Wisconsin Rural Water Association conference, and the Manufacturing First Expo & Conference.
- Competitions like the Wisconsin state cheer championships, the YMCA National Gymnastics Championships, portions of the Junior Gold Championship competition (bowling) and its trade show, a state billiards tournament, a state darts tournament, an American Cornhole Organization tournament for military and first responders.
- Consumer shows such as the Green Bay Boat Show, the Wisconsin State Hunting & Fishing Show, the Green Bay Pet Expo, Collectorabilia, and the Great Lakes Logging & Heavy Equipment Expo, the Wedding Show, and the Green Bay Home Show.
- Other events including the Spotlight Concert Series (a concert held on the facility's upper level), a Make-A-Wish gala, and the immersive "Beyond Van Gogh" experience.



Resch Expo, Green Bay, Wisconsin

Facility Financials

- Overall, the facility reported a net income of $870,000 and $603,000 in the two years. However, not including interest revenue and transfers from the county, the net income decreases to approximately $290,000 in FY23 and $75,000 in FY24.
- The Miscellaneous revenue line represents the facility's $500,000 annual naming rights deal ($10 million over 20 years).
- While the actual savings are not known, Resch Expo also benefits from shared staffing with the adjacent Resch Center, which lowers its costs.

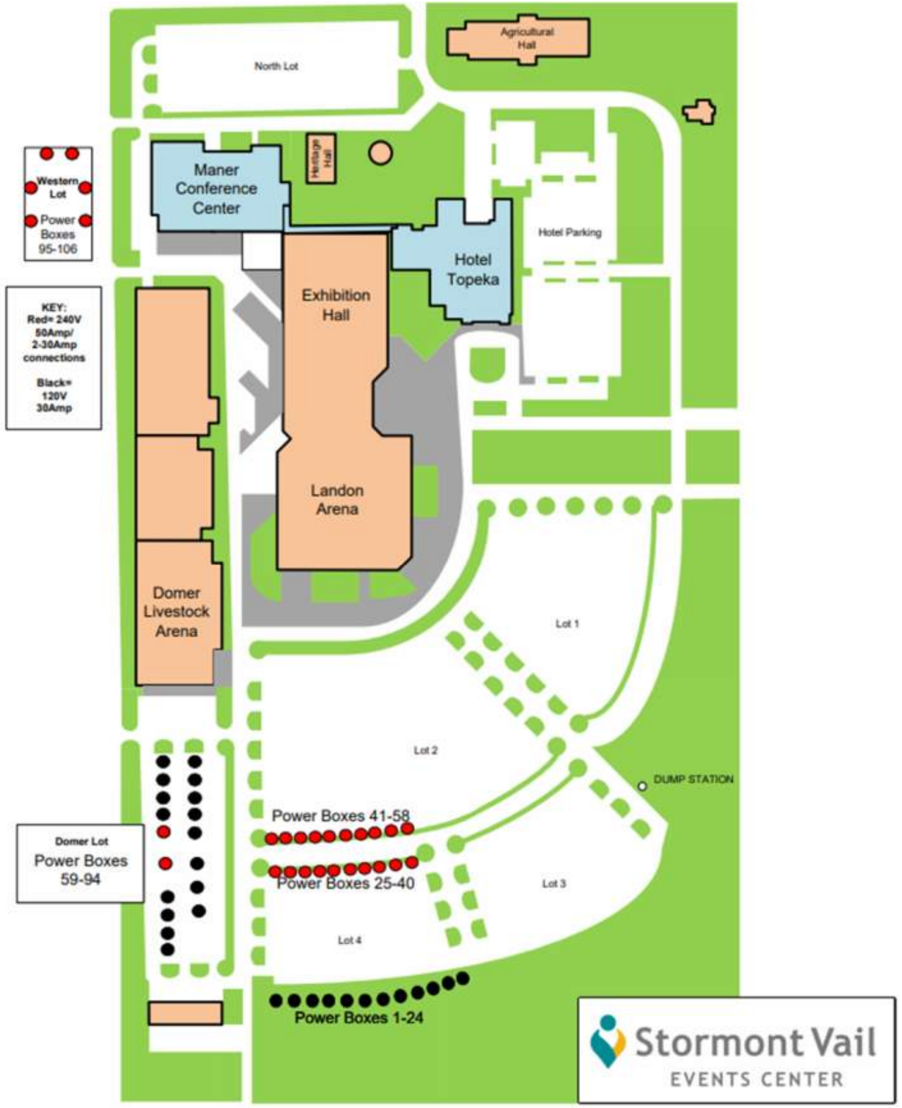
As Stated	US$ in 000s	
	22-23	23-24
Revenues	FY23	FY24
Special Events	$1,041	$1,045
Concessions	284	197
Rent	80	80
Miscellaneous	500	500
Sponsorship	296	319
Interest	230	272
Transfers In	347	255
Total	$2,778	$2,668
Expenses		
Supplies	$80	$55
R&M - Equipment	81	108
R&M - Building	347	487
Marketing	299	315
Electric	307	295
Gas/Oil	106	73
Water/Sewer	29	28
Insurance	131	118
Contracted Services	528	586
Contributions		
Total	$1,908	$2,065

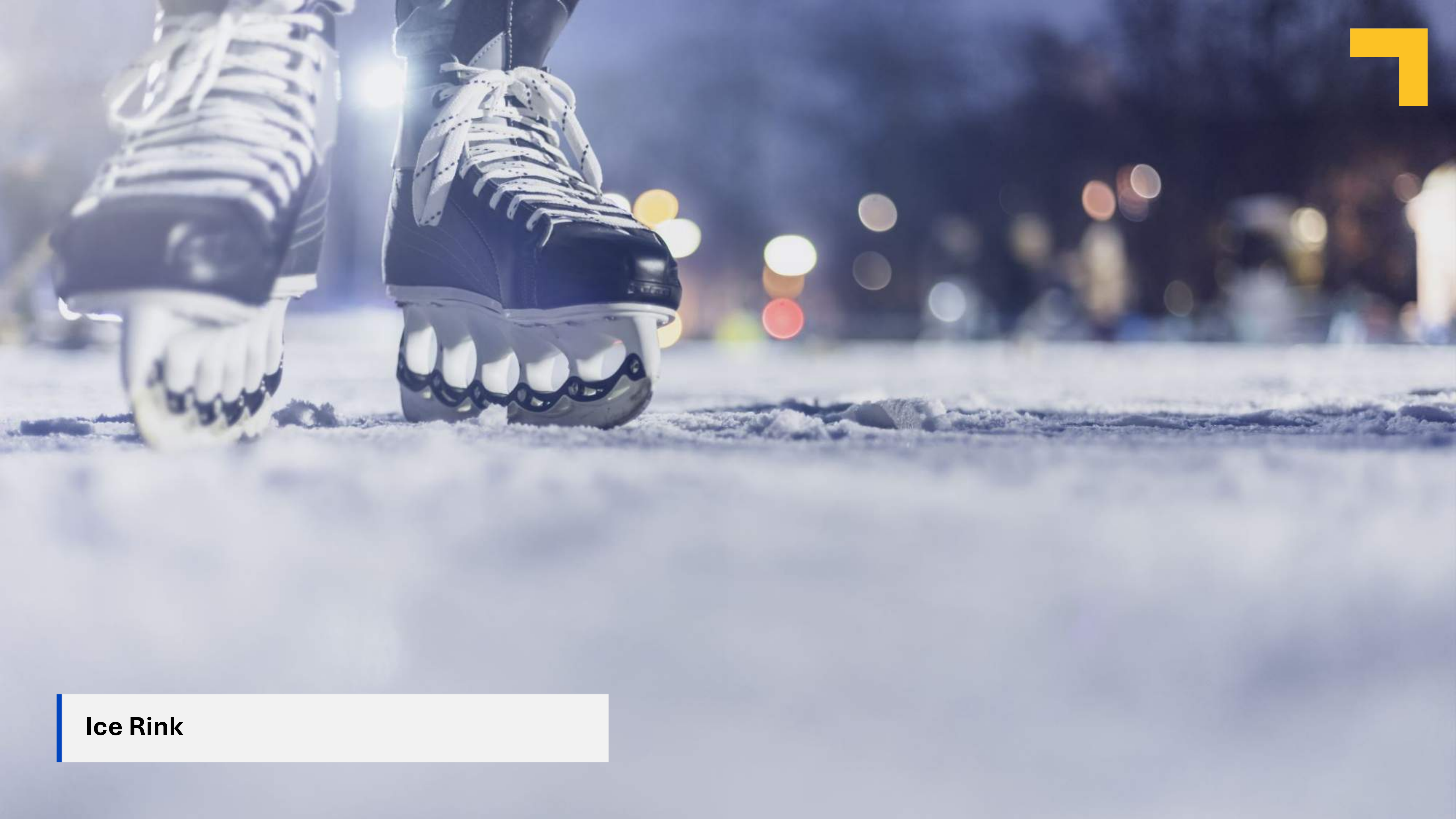
Exhibition Hall (Stormont Vail Event Center), Topeka, Kansas

- The 80-acre Stormont Vail Event Center complex in Topeka, Kansas includes an arena with approximately 7,000 fixed seats (Landon Arena) and an attached and recently-expanded exhibition hall with 73,000 square feet that were built in 1987. The arena has a Federal Prospects Hockey League tenant.
- The complex is owned by Shawnee County and operated by OVG, which also provides F&B service. A 2019 naming rights deal with Stormont Vail Health generates $250,000 per year for 10 years.
- Other facilities onsite include a dirt-floor arena and other multipurpose venues of various sizes. There is also a hotel (Hotel Topeka) and conference center (Maner Conference Center) onsite, and they are attached to the Exhibition Hall via a walkway.
- The hotel has 224 rooms and the conference center has 28,000 square feet of event space. The conference center is owned by Shawnee County and is operated by the hotel owner.
- The complex is less than one mile from downtown Topeka, which is in northeastern Kansas, approximately 60 miles west of Kansas City and 25 miles of Lawrence. It has more than 1,900 paved parking spots and an overflow grass parking lot.
- In 2021, a $48-million, two-year renovation project that included improvements to the arena and exhibition hall was completed.

Exhibition Hall (Stormont Vail Event Center), Topeka, Kansas

- The Exhibition Hall is connected to the arena via an approximately 4,100-square foot atrium that can also be used as event or pre-function space. The facility increased from 44,500 to 73,500 square feet after the recent renovation, which allows management to avoid having to use Landon Arena for larger flat-floor events. The hall's primary uses are conventions, trade shows, exhibitions, and youth sports events (primarily volleyball, basketball, and wrestling). It has its own concession stand, restrooms, and show office, and a 30' ceiling and six loading docks. Its maximum capacity is approximately 6,200 people (standing) or 2,000 (banquet), and more than 300 exhibit booths.
- Exhibition Hall events typically attract between 2,000 and 6,000 attendees. In a typical year, the facility hosts approximately 6-7 conventions, 5-7 banquets, sporting events, and other events including an in-house wing fest and a Halloween event on October weekends that attracts a total of 10,000 people.
- The Exhibition Hall and arena are used together approximately 6 to 10 times per year. Events that use both facilities include demolition derbies (which use the hall for pits and a tech area), a large equine convention that has a rodeo in the arena and exhibits in the hall, and a large farm show that uses the entire complex.
- The Exhibition Hall was not built with breakout rooms, and while they were planned to be added as part of the recent renovation, there was not enough funding to include them in the project. According to facility management, the lack of meeting rooms is limiting in its ability to book events. (Temporary breakouts can be created with pipe and drape, but this is not a cost-effective or attractive option.)
- The annual deficit of the entire complex typically ranges from approximately $900,000 to $1.7 million..





Ice Rink

Ice Rink

Demand Analysis

With a part-time ice rink already available, demand can be more easily assessed following current usage trends and patterns, as well as considering additional opportunities in the space:

- Ice Flyers: home games, practices, themed fan skates (Oct–Mar) drives consistent attendance and upsells (bundled public skates, clinics).
- Youth hockey: Learn-to-Skate, Learn-to-Play, house/travel teams; adult leagues; stick-and-puck, all of which maximize off-peak and late-evening hours.
- Figure skating: Learn to Skate USA classes, freestyle sessions, seasonal ice shows
- Public skate & birthday parties: high-margin, family-friendly blocks that monetize weekends and holidays.
- Youth hockey jamborees & showcases (U10–U16), figure skating competitions, and adult tournament weekends can fill 12–16 weekends annually with multi-day room-night demand—especially valuable in shoulder months. Local youth pipeline and regional supply gap support bid competitiveness.
- With scarce permanent ice between Tallahassee and New Orleans and Mobile relying on seasonal offerings, Pensacola can function as the year-round hub for the central Gulf Coast, reducing out-migration to Birmingham/Atlanta

SWOT Analysis for Ice Rink in Pensacola

Strengths

- The Pensacola Ice Flyers anchor the market with a 58-game regular season, including 29 home games at the Pensacola PBC.
- The Northwest Florida Hockey League operates a full October–March season with practices and games scheduled on both weekdays and weekends.
- The Greater Pensacola Figure Skating Club (GPFSC) is part of the nationally recognized Learn to Skate USA program, which is endorsed by U.S. Olympic governing bodies. It provides formalized programming and coaching in the region.
- Both hockey and figure skating organizations report more inquiries than they can accommodate due to current ice schedule limitations.

Weaknesses

- Operating and maintaining an ice facility in Florida presents inherent challenges, including higher energy costs, climate-related inefficiencies, and the need for specialized infrastructure that is less common in warm-weather markets.
- Current ice programming in Pensacola is structured around a seasonal schedule (April–October), limiting year-round utilization and reinforcing the perception of ice sports as a niche activity within the region.
- Stakeholder engagement anecdotally indicates that youth participation in basketball and volleyball exceeds participation in ice hockey.
- Staffing year-round for an ice rink could be challenging in a place like Florida where most jobs do not require this specialized skillset

Opportunities

- The Pensacola metropolitan area's population combined with demand drawn from surrounding markets such as Panama City, Fort Walton, and Mobile, which currently lack permanent or semi-permanent ice rinks and creates a broad catchment area for ice sports and recreational skating.

Threats

- William Sealey Architects submitted conceptual design plans to Escambia County for a potential ice rink redevelopment at 1002 N. Navy Boulevard. The proposal involves restoring and upgrading the former Landmark Skate Center, which could introduce an additional ice venue within the local market.
- A privately developed ice rink in Pace (approximately 15 minutes from Pensacola) is planned as a 23,000 sq. ft. single-sheet facility with a target opening by late 2026. If completed, the facility may partially alleviate current regional pressure for ice time, potentially reducing demand for new or expanded ice operations in Pensacola.
- Current studies estimate that constructing a 43,500 sq. ft. practice ice rink with seating for 600–1,000 spectators and associated amenities could cost approximately $29.8 million. These cost levels present financial risk and may hinder project feasibility, particularly in a market with mixed or uncertain long-term demand projections.

Ice Rink

Comparable Facilities within 150 miles

Panthers IceDen
Coral Springs, FL

3 NHL-size rinks Flagship South Florida ice facility tied to the Florida Panthers

Heavy emphasis on youth & elite hockey development, tournaments, and figure skating

Strong example of a destination training + tournament model in a warm-weather market

Ellenton Ice & Sports Complex
Ellenton, FL

2 NHL-size rinks + indoor roller hockey

Serves Tampa–Sarasota–Bradenton catchment

High utilization from youth hockey, figure skating, camps, and regional tournaments

One of the best Gulf Coast comparables for year-round operations

RDV Sportsplex IceDen
Orlando, FL

2 NHL-size rinks

Integrated into a larger multi-sport complex

Strong recreational + instructional focus

Demonstrates co-location with fitness and community amenities

Palm Beach Skate Zone
Lake Worth, FL

Single-sheet indoor rink

Serves youth hockey, figure skating, public skate

Typical of single-rink suburban Florida models

Ice Rink

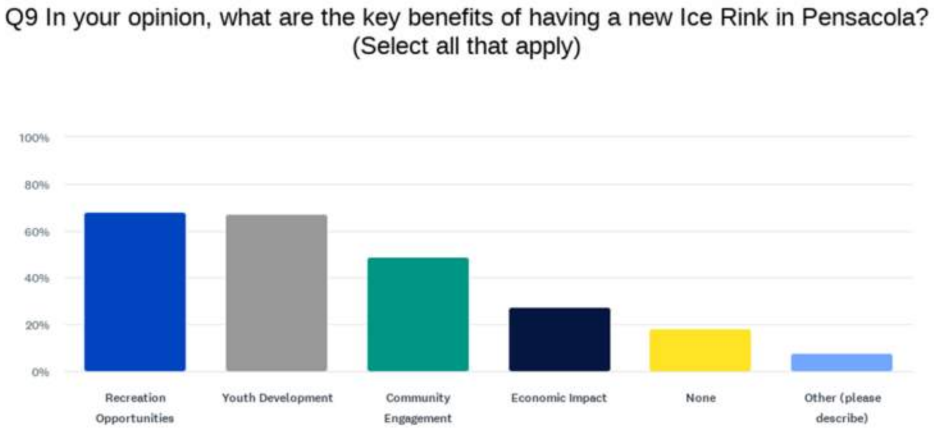
Key Takeaways

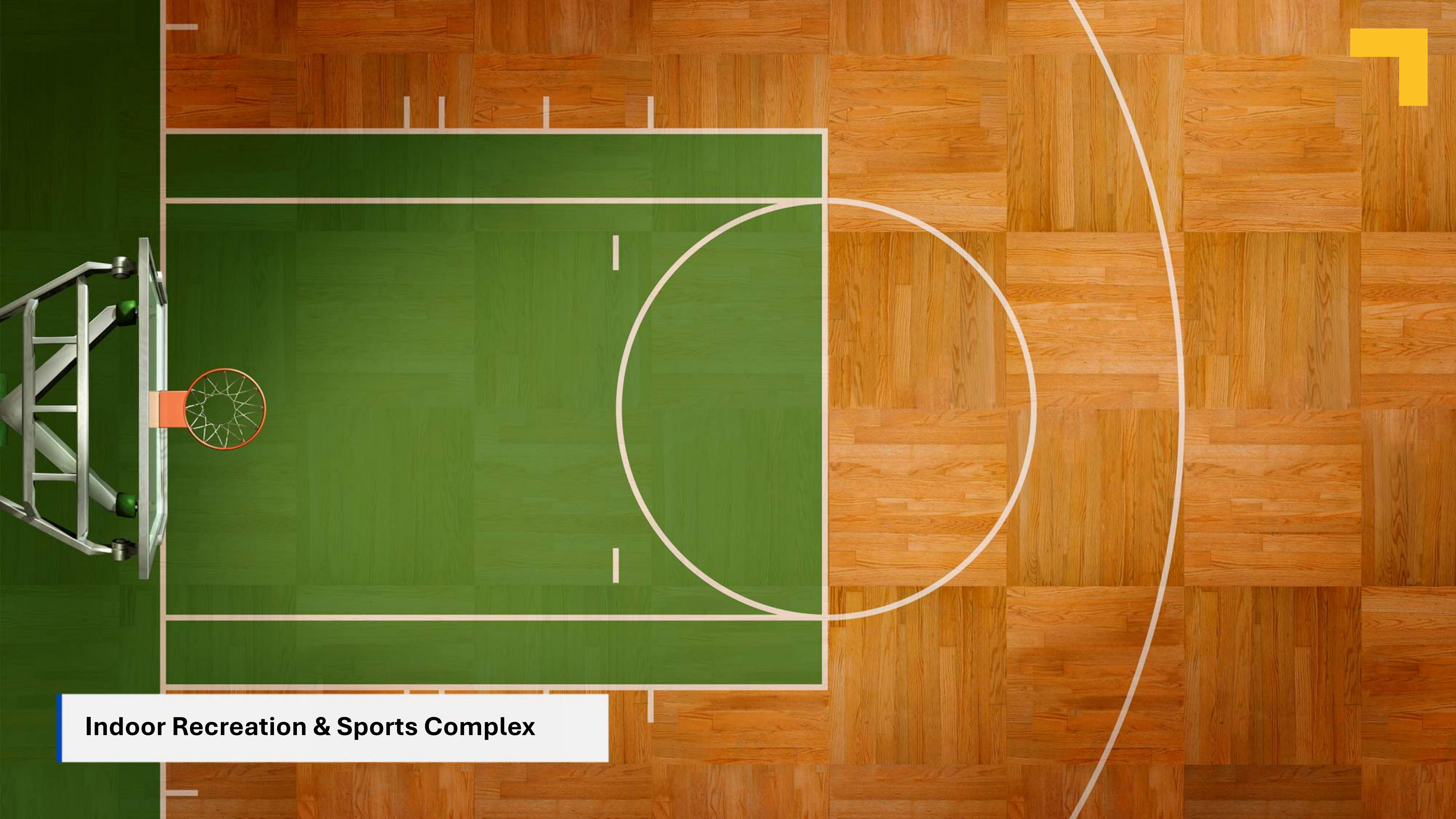
Pensacola benefits from an established and expanding ice sports base, anchored by the Pensacola Ice Flyers (SPHL), which provide consistent, high-visibility usage and a built-in fan community.

It is clear that there is a dedicated niche base that would like to see the ice rink prioritized, albeit that sentiment may not reflect the community at large.

Survey respondents gave feedback to the proposed idea:

- When asked about the benefits of the full-time ice rink, respondents cited recreation opportunities, youth development and community engagement as the top outcomes. Concerns include underutilization risk and traffic/congestion.
- Majority of responses (67%) noted they would use the rink a couple of times of year or less. Roughly 12% said they would use it monthly, 11% weekly and 9% daily.





Indoor Recreation & Sports Complex

Indoor Recreation & Sports Complex

Demand Analysis

Potential demand for an indoor recreation and sports complex is based on a variety of state and local trends:

- Pensacola welcomed approx. 2.5M visitors in FY2024, with approx. $22M in tourism development tax collections and approx. $2. Bn total economic impact, momentum Visit Pensacola and the TDC are looking to extend into shoulder/winter months where an indoor calendar helps fill gaps.
- Florida ranked #1 nationally for sports-tourism economic impact in 2023, reflecting an expanding calendar of youth/amateur events and collegiate tournaments, exactly the segments an indoor court facility targets.
- The Sun Belt Basketball Championships committed to Pensacola through 2030, adding reliable March demand and validating the market's ability to host multi-day indoor competitions with spillover to hotels, and food and beverage.
- Local hotel performance shows elevated ADR and stable RevPAR by historical standards, with 2026 national forecasts indicating moderate growth, a backdrop where group/youth tournaments can lift off-season occupancy.

SWOT Analysis

Strengths

- Strong demand from basketball and volleyball plus interest from pickleball, table tennis, judo, cheer/dance, wrestling, and gymnastics.
- The Visit Pensacola Sun Belt Men's & Women's Basketball Championships presented by Air Force Reserve is has strong presence and visibility.
- County approved an indoor sports facility costing up to $60 million could be coming to Escambia County's Ashton Brosnaham Park
- Collaboration with Escambia County Public Schools on access and utilization
- Community use of facility on non-tournament dates

Weaknesses

- Tournament model often expects low/no rent supported by incentive funds and room rebates; price sensitivity is high in a buyers' market.
- Existing inventory is fragmented and not optimized for multi-court tournaments; reliance on outside promoters and date availability can limit growth if not managed proactively.

Opportunities

- Modern facility with hardwood floors, walkable amenities, and downtown brand positioning can win bids.
- Leverage destination appeal to extend average length of stay, fill shoulder seasons, and add non-sport uses (expos, banquets) during non-peak periods.
- Another opportunity lies in the rise of new and fast-growing sports. One clear example is pickleball – the paddle sport exploding in popularity nationwide, including in Florida. Pensacola is witnessing this first-hand: a private group is converting a former port warehouse into "Portside Pickle," a dedicated indoor pickleball facility with 10 courts. This indicates substantial local demand (to the point that existing parks and gyms haven't kept up, players face long waits on limited public courts).

Threats

- Regional competition is intensive. Continued facility growth nationally strengthens promoters' bargaining power, intensifying fee concessions and incentives. The local demand will have to show that even without tournaments, full-time programming or other programming can justify investment.
- Projections hinge on professional management, robust sales/marketing, event incentive funds, and no new competing facilities, all are risk factors.

Indoor Recreation & Sports Complex

Comparable Facilities within 150 miles

Gulfport Sportsplex
Gulfport, MS

Large regional sports tourism complex totaling 250 acres overall

Indoor elements include training, batting cages, gymnasiums, plus supporting indoor space for tournaments

Hosts regional and national youth events

Gulf Coast Sports Center
Gulf Shores, AL

~28,000 SF indoor multi-court facility

Configurable for 4 basketball courts / 4 volleyball courts / up to 12 pickleball courts

Also includes 7 outdoor sand volleyball courts

Purpose-built for youth tournaments, regional events, and rentals

Opened in 2024 as part of the Gulf Shores Sportsplex expansion

Orange Beach Event Center at The Wharf
Orange Beach, AL

Flexible indoor event and sports venue

Used for indoor tournaments, cheer/dance, volleyball, expos

Integrated into a mixed-use destination with retail, dining, and lodging

Southern Swing Sports
Gulfport, MS

Indoor multi-sport training & event facility that recently opened in 2025

Includes pickleball, batting cages, indoor turf, golf simulators

Also markets private events and rentals

Indoor Recreation & Sports Complex

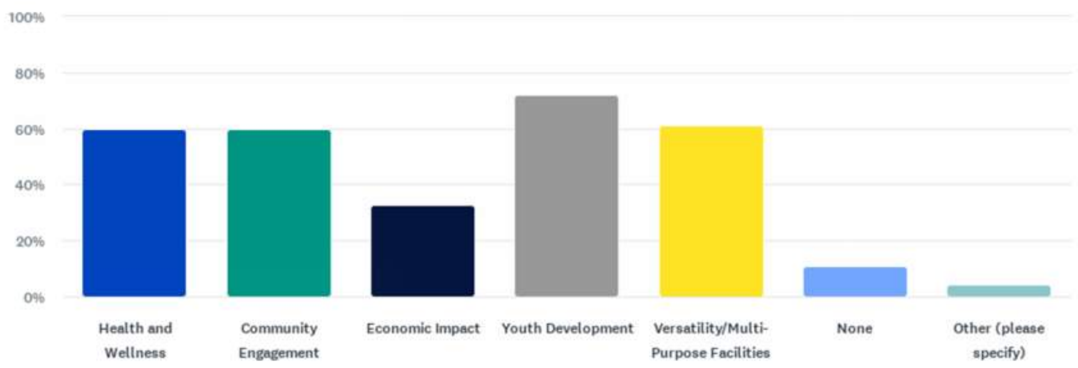
Key Takeaways

- Despite certain financial and competitive pressures, Pensacola is well-positioned to develop an indoor sports tournament hub, provided it capitalizes on its existing strengths and proactively plans for known challenges.
- The SWOT analysis indicates that, with effective execution, an indoor courts facility could become a regional draw for youth sports tournaments, leveraging Pensacola's unique market appeal while generating meaningful economic and community benefits.
- Stakeholder feedback highlighted the Foley Event Center as a direct competitor and aspiration for Pensacolans. The current feasibility study proposes 9 basketball courts and 18 volleyball courts, exceeding Foley, AL's existing 6 and 12 courts. This raises the question of whether a more flexible, convention-center-style facility can host the scaled down number of courts and cater to the market as Foley Event Center does.
- The indoor sports concept represents a strong secondary option should the convention center initiative not move forward.

Survey respondents gave feedback to the proposed idea:

- When asked about the benefits of the Indoor Sports Complex, top answers included youth development, versatility/multi-purpose facilities, community engagement and health and wellness.
- Like the ice rink, main concerns were traffic/congestion and the risk of underutilization.
- In terms of local community usage, roughly 37% would use or attend events at the venue a couple of times per year. About 31% said they would never use it. Remaining respondents would use it monthly or weekly.

Q13 In your opinion, what are the key benefits of having a new Indoor Sports Complex in Pensacola? (Select all that apply)



Conceptual Design and Site Integration

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Conceptual Design and Site Integration

This section examines the conceptual site plans and overall integration strategy for potential facilities on the Site. The convention center test fit demonstrates how the building program consisting of divisible exhibit space, a ballroom, and flexible meeting rooms, can accommodate both amateur sports tournaments and regional conventions.

This programmatic mix is designed to support diverse event types while remaining appropriately scaled for Pensacola's market context. The Site planning process also evaluates parking impacts, recommending a structured garage to replace displaced surface parking and satisfy projected demand generated by the new facility.

In addition to the convention center concepts, this section incorporates requirements for an event center and ice rink, previously presented, as well as the indoor sports complex program. It also references facility requirements associated with the Foley Event Center, reflecting stakeholder input and regional benchmarking.

For the current phase, the focus in on a single layout. Once the project vision is narrowed, it is possible to show various configurations with the Site and its surroundings.

Pensacola Convention Center

Preliminary Space Program

Convention Center
Based on the findings of this study, there is a demonstrated need for a properly scaled Convention Center in the Pensacola market. The proposed facility would include divisible exhibit space, a ballroom, and flexible meeting rooms designed to accommodate a broad range of events. The building is intended to serve both amateur sports tournaments and regional conventions, providing the flexibility necessary to support diverse programming while remaining appropriately sized for the local market.

Parking
The proposed Conference Center would displace approximately 467 existing surface parking spaces. A convention facility of this scale should provide roughly 800 on-site parking spaces to adequately serve event demand. In order to both replace the displaced Bay Center parking and meet the projected needs of the new facility, a structured parking garage with approximately 1,300 total spaces is recommended. Assuming an average of 260 spaces per level, the garage would require five levels.

Preliminary Space Program	Area
Exhibition Hall (divisible into three halls)	54,000 sf
Ballroom (1,200 capacity)	16,000 sf
Meeting Rooms (16 @ various sizes)	16,000 sf
Pre-function Space / Lobby / Lounge	36,000 sf
Kitchen	8,000 sf
Back of House / Support	20,000 sf
Total Area	150,000 sf
Parking	
Parking Garage (5 Levels)	400,000 sf
Parking Spaces	1,300

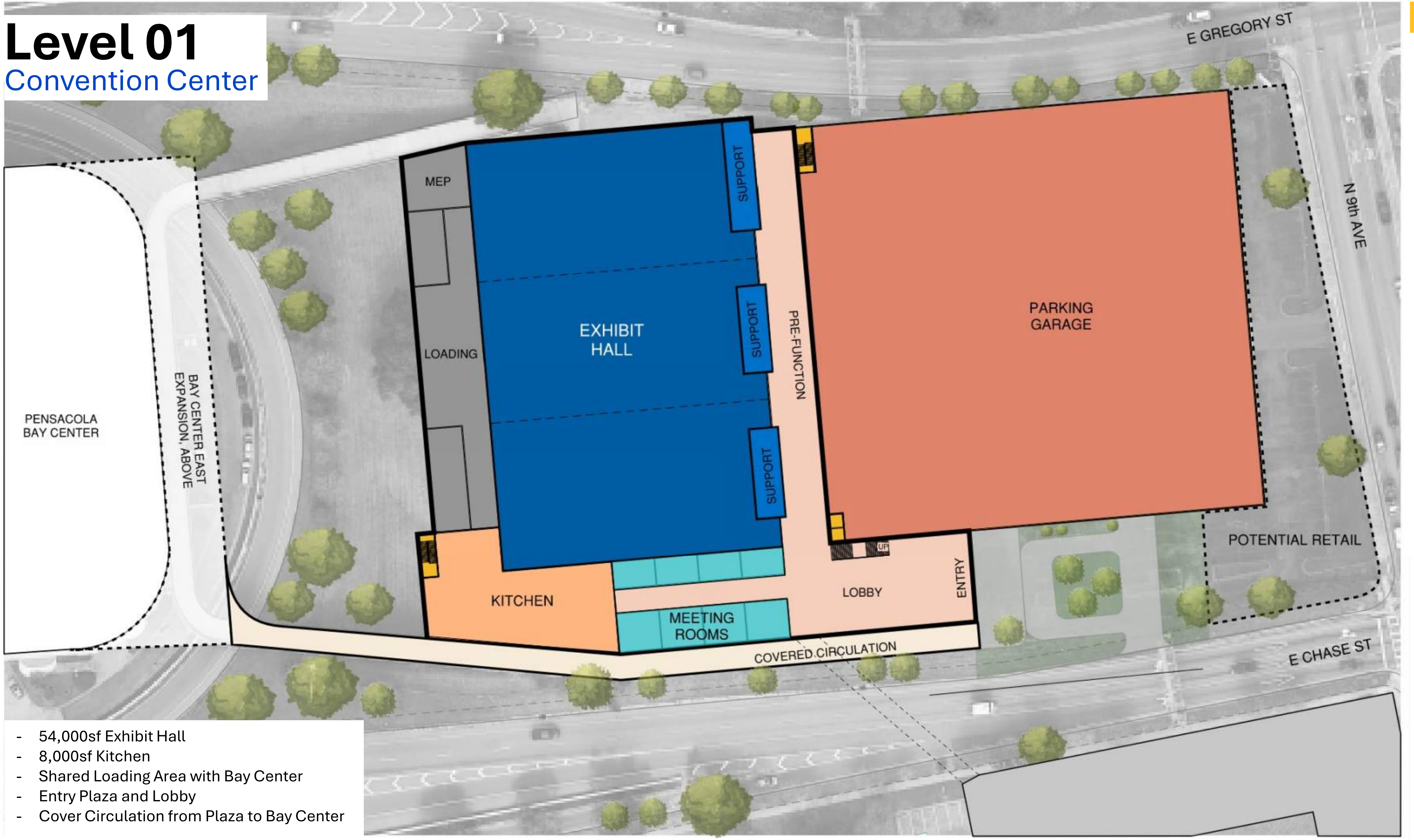
Site Plan

Convention Center

The site plan is based on the suggestion that a Parking Structure be adjacent to the Convention Center. The 'tech park' is shown to be built out with a potential 200-key hotel, surface parking, and mixed-use building.

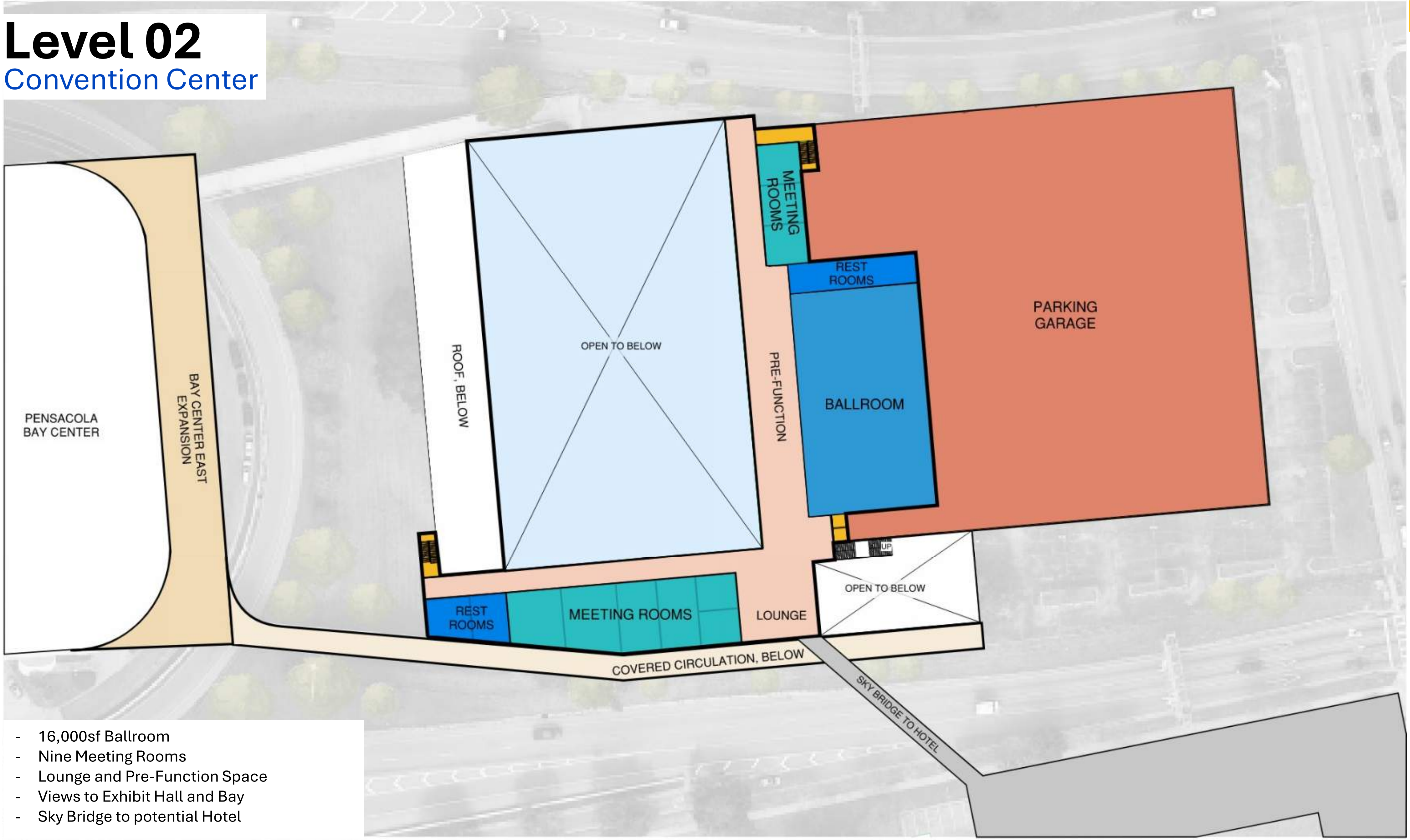
Level 01

Convention Center



- 54,000sf Exhibit Hall
- 8,000sf Kitchen
- Shared Loading Area with Bay Center
- Entry Plaza and Lobby
- Cover Circulation from Plaza to Bay Center

Level 02
Convention Center



- 16,000sf Ballroom
- Nine Meeting Rooms
- Lounge and Pre-Function Space
- Views to Exhibit Hall and Bay
- Sky Bridge to potential Hotel

Reference Images

Convention Center

Ice Rink Space Needs

- 1 permanent, NHL sized ice sheet (200’ x 85’)
- Fixed seating for between 600 and 1,000.
- 4 locker rooms with toilets and showers.
- 2 coaches/officials rooms.
- 2 party rooms/flex rooms.
- Pro shop/first aid.
- Concessions & vending space.
- Small allotment for dryland training space/other amenities (i.e., esports, golf simulator, stickhandling station, etc.).
- 350 incremental parking spaces needed.
- Optional: Physical therapy/weight room/fitness space.

Source: Pensacola Bay Center Plan for the Future, January 2026

Indoor Recreation & Sports Complex Space Needs

- 9 basketball courts / 18 volleyball courts
- Spectator seating: 1,350
- 9 meeting rooms
- Concessions stands
- Sports medicine
- Pro shop / retail
- Catering kitchen
- Lobby / registration
- Support spaces (restrooms, lounges, offices, storage, maintenance)
- Parking for 459 (incl. ADA spaces)
- Entry plaza for 1,350

Gross Area – Enclosed Space: 126,476 SF

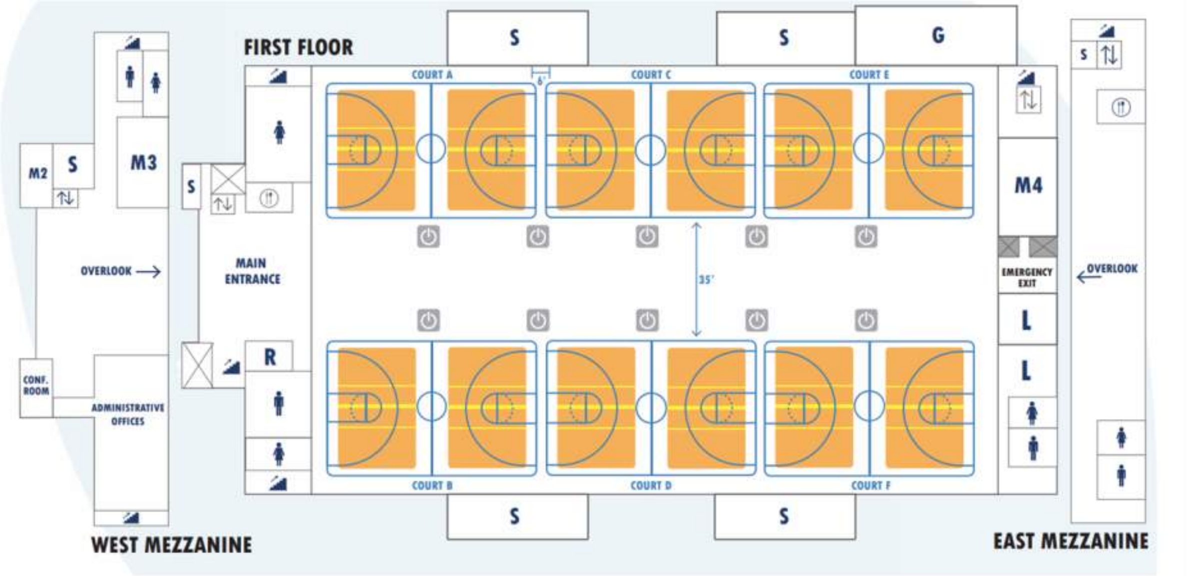
Gross Area – Exterior Space: 347,137 SF

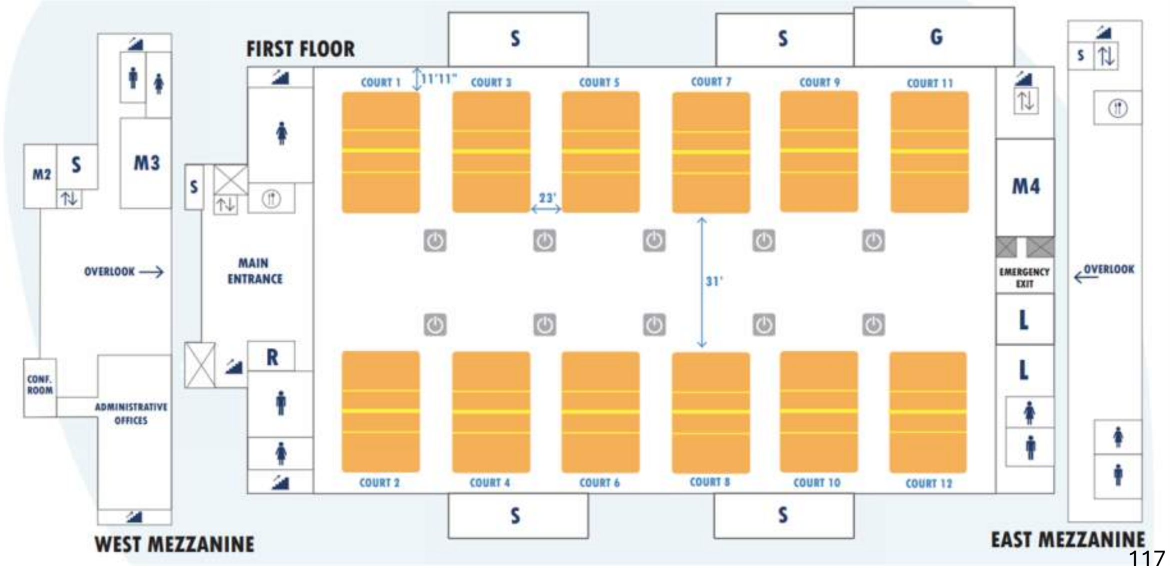
Source: Feasibility Study Update for an Indoor Sports Facility in Pensacola, Florida, January 2019

Foley Event Center Space Details

Foley Event Center Sports Layout details and specifications

- 6 Competition Basketball Courts
- 12 Volleyball Courts and 12+ Pickleball Courts
- Robbins® Strata-Sport® Flooring
- 2 Locker Rooms
- Concession/Vending Areas and warming Kitchen
- Athletic Training Room with Treatment Tables
- 680+ Paved Parking Spaces with Overflow
- 1,000+ Padded Chairs
- LED Lighting
- One-Touch Backdrop and Net System for Volleyball and Basketball
- Ground Level Loading Area
- Handicap Accessible
- Wall Pads for Indoor Sports
- Portable Pickleball Nets
- Media/Flex Room
- Bleacher Seating Available





Source: Foley Center Website

Market Based Conclusions

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Development Priorities

When evaluating the likelihood of securing funding, meeting stakeholder priorities, and improving connectivity and safety, the potential development aims to incorporate these elements and consider if federal funding can be leveraged.

Resident Priorities

Survey respondents shared a wide range of opinions on the proposed projects. Overall sentiment leaned neutral, although many expressed notable concerns. Common themes included the need to protect environmental and historical assets, address infrastructure and parking challenges, and enhance downtown with stronger walkability and better connections between key destinations. Respondents suggested ideas such as mixed-use development, added green space, improved live music and entertainment options, and better use or renovation of existing hotels. Some questioned the need for an ice rink or additional hotels, expressing worries about overbuilding, loss of local character, and pressure on local resources. A smaller group proposed more innovative concepts such as technology partnerships or art centered spaces. Across all perspectives, most respondents emphasized the importance of balanced growth that respects Pensacola's identity while responding to practical needs.

Development Priorities

With this input in mind, this section outlines the available development options. These options vary in overall impact, beginning with the lowest level of intervention and progressing to those with a higher level of transformation. Each option is considered through the lens of funding potential and the suitability of alternate sites.

It is important to note that each option can be configured in multiple ways. For example, a convention center could be located on the Tech Park Site supported by a garage that includes ground floor retail on the Site, or the locations could be reversed. The options presented here are not exhaustive and allow for several possible configurations, but they illustrate a general sense of what each outcome may look like.

Connectivity

Improving connectivity is essential because both the City and residents agree that safety issues and poor access have prevented the PBC, Site and area from reaching its full development potential. The Site remains disconnected from downtown, the waterfront, and surrounding neighborhoods, limiting walkability and investor appeal. Enhancements such as safer circulation, pedestrian bridges or walkways, and stronger links to key destinations would transform the area into a cohesive, accessible district. These improvements make the site marketable and safe, giving investors confidence that the location is ready for high-quality development.

Funding

Transportation Infrastructure Finance and Innovation Act (TIFIA) provides a way to lower the cost of capital, reduce risk to the City and County, and make the overall project more attractive to investors. The program works especially well when paired with multimodal improvements, structured parking, and public infrastructure. TIFIA strengthens investor confidence and increases the likelihood that the preferred concept can be delivered successfully. Transit planning studies can either be combined with a project for federal funding or be pursued separately.

Denotes unlocking potential value related to marketability and private investment

Using Funding and Financing Tools

TIFIA (Transportation Infrastructure Finance and Innovation Act)

- Federal credit program (USDOT) providing low-cost loans, loan guarantees, and lines of credit for major transportation projects
- Used to accelerate delivery of large, capital-intensive infrastructure by filling financing gaps
- It works like a long-term, flexible repayment; leverages non-federal revenue (taxes, fees, value capture)
- **Projects supported**: Transit, intermodal centers, highways, bridges, rail, port access, complete streets tied to mobility

Transit-Oriented Development (TOD)

- Land-use and development strategy focused on compact, walkable, mixed-use development near high-capacity transit
- Density near stations, multimodal access, reduced parking, active ground floors, housing + jobs
- **Typical outcomes**: Mixed-use districts, higher land values, increased ridership, housing supply, economic development

How a City Can Use TIFIA + TOD Together:

City role: Use TIFIA to finance enabling infrastructure (stations, streets, utilities, intermodal centers) that unlock TOD

- Infrastructure investment supports rezoning, public land activation, and value capture
- TIFIA + local sources (tax increment, special assessments, ground leases) + private capital
- Public sector's role: TIFIA borrower for large, eligible transportation assets, sets TOD policy, zoning, station-area plans, and assembles land
- Private developer's role: Typically, do not borrow TIFIA directly, benefit indirectly through improved access, reduced risk, and higher-value development sites

How Pensacola Can leverage Transit Assets to Strengthen TOD:

- Existing transit: Improve first/last-mile access, modernize stations using TIFIA-financed upgrades, understand L&N Depot's role, freight rail, intercity bus, trolley use and any other transportation node.
- New intermodal/transit center: Anchor for TOD district; qualifies as eligible TIFIA project. Creates a focal point for mixed-use development, P3 , and value capture

Considering TIFIA and TOD Eligibility

TIFIA Funding

TIFIA funds transportation infrastructure only. Projects must typically cost over 10 million to $50 million (depending on type). TIFIA Benefits include:

- Low, fixed interest rate (US Treasury rates)
- Finance up to 49% of eligible project costs
- Interest does not accrue until proceeds are drawn
- Flexible amortization
- Up to 35-year repayment period (in some cases, up to 75 years)
- Deferrable for five years after substantial project completion
- No pre-payment penalty

It is pertinent to note that by itself, the convention center cannot be financed by TIFIA, but the surrounding infrastructure will add revenue streams such as hotel tax, TDT. Classic TIFIA on its own funding sidewalks and pedestrian connectivity will require revenue pledges of User fees and taxes.

TOD Eligibility

TOD can be layered on TIFIA as an additional mechanism. The minimum eligible project threshold drops to $10 million compared to $50 million in TIFIA projects.

Under TOD, eligible costs definition includes public infrastructure within 1.5 mile of a qualifying transit station. This includes ferry, trolley, and other forms of transport considered “fixed guideway”. TODs allow private owners to borrow enabling a P3.

For a mixed use project with hotel, retail, parking, and convention center, the projects cash flows can service the debt.

Classic TIFIA requires carving out the transportation component and financing that in isolation, TODs lets the entire “District”/integrated development be considered holistically.

To leverage TOD, the City will have to create a parking garage that is an intermodal facility/transit anchor (bring together multiple forms of transit under 1 facility). The intermodal facility should consider intercity bus transfer (Greyhound, regional bus connections etc.)

Other Funding

L&N Depot – Historic Tax Credit

The L&N passenger depot is on the National Register of Historic Places and sits next to the Site. This can unlock tax credits. Further, once freight information can be confirmed, the rail can also be used to understand potential funding options.

An Overview of the Local Funding Process

A wide range of local, state, and federal funding sources can support transportation-related projects. Local revenue options include fuel taxes, sales taxes, development fees, special district funds, municipal service taxes, and tourist development taxes.

When additional resources are needed, local governments can collaborate with FDOT by applying for state or federal funding programs. These funding opportunities apply to both facilities that are part of Florida's Strategic Intermodal System (SIS) and those that are not.

SIS facilities may receive support through local fuel taxes as well as state and federal grant programs, while non-SIS facilities may also qualify for funding from local, state, and federal sources.

Hotel Revenues

This is a standard financially viable model of a convention center. The hotel generates revenue and convention center generates demand. Under this structure, the hotel revenues service the debt.

The City can use TDT and hotel taxes to fund convention center operations.

Ground Lease Revenue

A ground lease can be used to turn any vacant land into a productive asset. The City can stipulate the vision and parameters for a Site and use ground lease rent to offset revenues.

Key Takeaways

A TIFIA commitment/TOD designation elevate the project profile in the eyes of developer and signals federal confidence in the project. This allows the City to unlock other economic development grants related to economic development, state tourism grants, other tax credits.

TIFIA does not fund the convention center but it funds infrastructure around it, brings more developers and offers revenue sources. This in turn improves the capital stack and grant funding landscape for a project. TODs significantly attract more grants than TIFIA alone as it reframes the project from standalone facilities into a transformative district.

The convention center cannot get most of these grants or improvements on its own.

Development Scenario Considerations

As mentioned previously, the current study does not consider phasing or financing. Best practices dictate that project phasing helps manage and achieve project goals. However, the benefit of considering a unified vision allows for synergies of costs and developer attraction. For example, a district vs a single convention center will attract different levels of interest from investors.

The following denotes the anticipated developments on the next slide.

Facility	Denoted by
Delivery of a Convention Center	
Delivery of a Hotel (does not distinguish if hotel includes a parking garage)	
Delivery of a garage/mobility hub (does not distinguish between a preferable option at this stage)	
Delivery of waterfront connectivity	
Delivery of pedestrian improvements around Site and to Downtown	

Each development scenario has its strengths and weaknesses as well as varying degrees of risks. The scenarios on the following pages are laid out by level of complexity and coordination.

Development Scenarios

Scenario 1: Traditional Approach, DBB

- **Standalone facility:** Convention center publicly developed, operated and maintained
- **Properties developed:** Site-only
- **Funding mechanism:** Bond funds, TDT
- **Pros:** Speed, control, easiest to implement
- **Cons:** limited capital and economic impact. Seasonal job creation, backlog of deferred maintenance (similar to PBC)
- Minimal impact to Pensacola. Convention center success is limited
- **Funding Stack:** Lowest funding stack, 100% publicly funded and backed by bonds. May include state grants for economic development

Scenario 2: Hybrid Delivery

- **Alternative Delivery:** Convention Center (Public) + Hotel Developer and Operator (Private)
- **Properties developed**: Site + Tech Park or Grand Hotel
- **Funding mechanism**: mix of public funds and private funds
- **Pros**: Significantly improves convention market competitiveness, creates a true convention campus with walkability and convenience, Increases private capital participation and reduces public risk, supports higher hotel occupancy, ADR, and TDT
- **Cons:** coordination, timing, deferred maintenance can arise for convention center, negotiations for hotel
- **Funding Stack:** Slightly better but still lean and riskier, land or infrastructure provided by City and possible state contributions or grants for the convention center.

Development Scenarios

Scenario 3: P3 (DBFOM)

Convention Center + Hotel + Entertainment District

- **Funding mechanism**: Tax increment or special districts, land leases, long-term concession/lease payments, etc., to attract investment and share risk
- **Properties Developed:** Site (Site) +Tech Park (mixed-use, garage + Retail) + Grand Hotel (hotel) or any combination thereof
- **Pros**: Transformational, significant job creation, business tourism, placemaking
- **Cons:** Phased implementation alignment/phased approach, delivery is complex
- **Funding Stack:** Significant private equity and debt capital are invested, with revenues allocated according to the agreement. Structure combines public-private funding and land contributions, TIF districts, or special tax zones to reinvest new tax revenues. It may include economic development programs or federal infrastructure grants. Structuring the public share to be smaller or repaid from future revenues helps reduce the fiscal impact on local governments.

Scenario 4: P3 TOD

Scenario 3 + TOD (trolley, bus routes, L&N Depot or mobility hub)

- **Funding mechanism:** Blended; Convention centers and related public infrastructure are commonly financed through local bonds, TIF districts, and federal TOD-focused programs.
- **Properties developed:** Multiple
- **Pros:** Significantly improves convention market competitiveness, creates a true convention campus with walkability and convenience, increases private capital participation, reduces public risk, supports higher hotel occupancy, ADR, and TDT
- **Cons:** Coordination, timing, complex negotiations and transaction structure
- **Funding Stack:** Combine multiple funding sources to deliver TOD projects. Transit investments are supported by federal transit grants or loans (FTA, TIFIA), state DOT funds, and regional transit authority.

Making the Existing Site a TOD*

Redevelopment site opposite Pensacola Bay Center has transit-adjacent potential but does not yet qualify as formal TOD (as per USDOT)*

Option A – Enhance Existing Transit for TOD Funding (low – moderate complexity)

- Lower-cost path to TOD-aligned eligibility (FTA TOD Planning, RAISE, state mobility, bus/intercity bus, resilience/equity programs) by formalizing bus stop + leveraging trolley/rail proximity.
- Strong near-term case for TIF, special assessment district, joint development with bus/trolley facilities, and land value uplift tied to incremental transit improvements.
- Faster to implement, lower capital risk, fewer regulatory dependencies

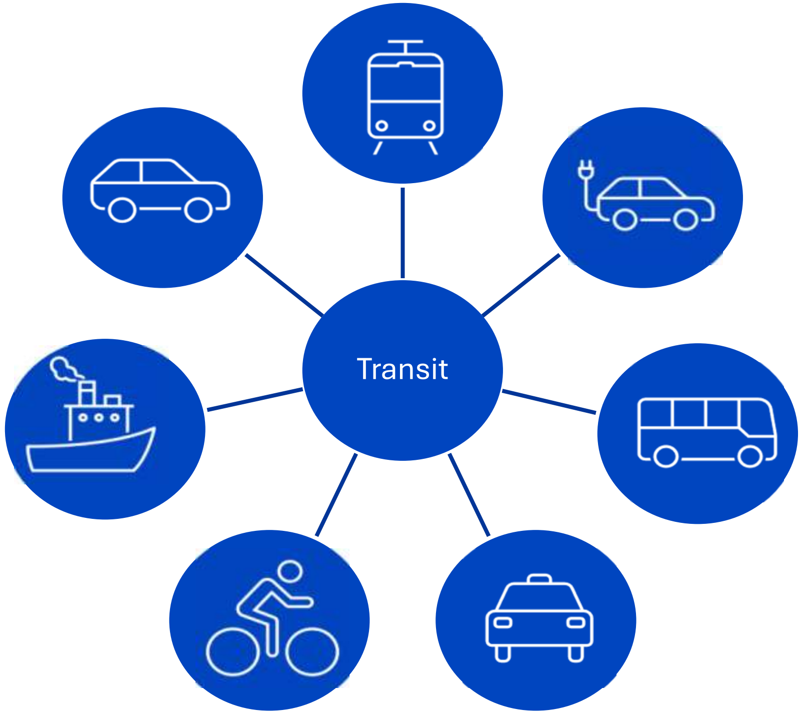
Option B – New Asset (low - high complexity)

- A mobility hub or intermodal facility is a centralized, physical location where multiple transportation modes, such as public transit, bike-sharing, e-scooters, and car-sharing, integrate to facilitate easy, sustainable, and efficient, first/last-mile travel. They range from small neighborhood nodes to large transit hubs, aiming to reduce car reliance. While a good feature for tourism, mobility hubs struggle to secure ridership in most car dependent places.
- Broader but more competitive discretionary grants (New Starts/Small Starts, rail/bus programs) with higher local match and longer grant cycles.
- Greater long-term value capture (larger TIF, air rights, joint development) but dependent on successful delivery of major infrastructure. Potentially catalytic for large-scale P3s, but higher complexity and market risk.
- Long lead time, higher cost, significant delivery and funding uncertainty.

Key Takeaways

Project-specific Investment: Optimize lower-cost TOD eligibility using existing and enhanced transit to unlock funding and private investment sooner.

Long-term investment for the City: Position a multimodal hub as a transformational investment if regional partners, funding commitments, and market demand align.



* Requires further transportation studies to verify eligibility for Option A and B, please see Next Steps

Current Convention/Civic Center Projects in Various Stages

Redeveloped River Center Complex, Baton Rouge, LA

- **Project:** The City of Baton Rouge is proposing a P3 for a major redevelopment of the River Center Complex, including a convention center and hotel. The project is intended to be financed, delivered, and operated through a PPP with a private Master Developer, who would assume Design-build-finance-own-operate-maintain responsibility for the Headquarters Hotel and selected Convention Center components—"with the Master Developer at risk
- **Public incentives**: District taxes to fund infrastructure, Property tax abatements, Public-private partnership incentives, Revenue-sharing mechanisms, State/local economic-development incentives
- **Revenue model:** Shared revenue opportunities (details to be proposed by developers), building potential long-term City-Parish income without front-loading capital expenditures.
- **Current stage:** The mayor of the city is seeking feedback on the plans for both the convention center and the hotel

Burbank Civic Center, Burbank, CA

- **Project:** Burbank Civic Center includes a new 87,500-square-foot library will feature a dynamic children's area, teen space, coworking areas, a media lab, makerspaces, performing arts venues, museum-style displays, a café, and public art gallery. roughly 52,000 square feet of open space will provide flexible venues for community events, with seating, paseos, and landscaping designed to encourage social gatherings and small performances. According to project reports, planners envision the plaza as a "living room" for downtown, where visitors can attend author talks, outdoor movie nights, and seasonal markets.
- **Project Delivery method:** Yet to be finalized
- **Funding structure**: yet to be determined as the City has received a $9.95 million grant from the California State Library to support the development of a potential new Central Library and Public Plaza. These funds will help advance planning for features that prioritize sustainability. In addition to this grant, the City is exploring a range of potential funding options to support additional project costs.
- **Current stage:** community engagement and planning

Current Convention/Civic Center Projects in Various Stages

Fargodome Convention Center, Fargo, ND

- **Project:** After two unsuccessful attempts over the past three years to advance a convention center near the Fargodome, the Fargodome Authority has introduced a significantly expanded and more market-responsive proposal. The updated plan incorporates a new convention center, a 140–160 room hotel, and a privately developed entertainment district, a mixed-use model intended to attract year-round activity. Parking impacts (loss of 300–400 spaces) may require shared-use agreements or structured parking investment, potentially introducing additional financing needs.
- Hotel and entertainment district ($100M–$150M) are 100% privately financed, owned, and operated.
- **Funding structure:** lodging tax, $30M–$35M in bonding capacity, further financing to be discussed upon final site conditions.
- **Funding Structure**: Increase in lodging tax from 3% to 5% for the next 25 years.
- **Current Stage**: Two-step procurement process. Currently, shortlisted developers are providing further information (due on Feb 27, 2026).

Next Steps

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Next Steps /Phase 2 – Site Specific

Continued Stakeholder Engagement

- Strengthen collaboration with key partners to ensure alignment and gather informed feedback. Engage County, PEDC, and hotel partners using a clear project narrative and supporting materials (talking points, preliminary vision) to solicit meaningful input.
- Coordinate with local hoteliers, retailers, and tourism-aligned industries leveraging the CVB to broaden stakeholder involvement and reinforce industry alignment.
- Clarify the role of the CRA in development efforts and potential incentives.
- Gauge appetite for unsolicited hotel developer proposals to kickstart interest and guide project towards convention center.
- Consider if Tech Park previous efforts have not materialized due to marketing or packaging of District or other redevelopment appetite
- Engage ASM Global/Legends to determine their role in convention center and entertainment district, if project steers in that direction.
- Develop a centralized stakeholder landing page with consistent messaging, PIO involvement, and contributions from internal subject-matter experts.

Vision Alignment & Project Definition

- Use stakeholder feedback to refine and confirm the project vision so that the direction is clear and ready for advancement into the next phase.

Project positioning

Consider cost and benefits of the following pathways:

- TIF District (incentives)
- Land incentives

Zoning

- Consider if parcel needs to be rezoned, if so initiate this process to avoid administrative delays.

Cost Studies

- Once the project determination has been made or the project vision has been narrowed down to no more than two viable scenarios, a preliminary cost estimate should be prepared.

Soft Marketability Assessment

- Strengthen market understanding ahead of selecting preferred delivery method. Monitor and analyze comparable structures in the market, including the case studies referenced.
- Gather feedback from developers to understand market appetite, preferred deal structures, and investment trends.

Undertake Grant Studies

Pursue federal planning and project-development grants (via USDOT programs) to fund feasibility studies, environmental reviews, and financial analyses.

Next Steps /Phase 2 – Funding/Connectivity/Site Improvements

Confirm Eligibility Pathways with FHWA/Build America Bureau

- Begin a preliminary engagement with the Build America Bureau to verify which components of the project, such as structured parking, multimodal circulation, pedestrian bridges, and roadway improvements, qualify under TIFIA criteria.

Assess City's Federal/State/Local grant readiness and application determination

- A parallel work stream such as grant readiness and application determination can be conducted while ongoing planning and stakeholder alignment. This can look like a grant calendar, templates and reviews readiness to submit state and federal grants for next steps.
- Pursue federal planning and project-development grants (via USDOT programs) to fund feasibility studies, environmental reviews, and financial analyses, reducing or eliminating the need for the City to self-fund upfront studies. Align land-use approvals, transit planning, and economic development objectives to support a cohesive federal funding narrative.

Define the Multimodal Infrastructure

- Utilize existing data regarding accidents, crashes, fatalities to supplement resident survey and advocate for safety improvements.
- Develop a detailed list of connectivity improvements (overhead pedestrian walkway/bridge, sidewalk upgrades, protected crossings, linkages to downtown and the waterfront, multimodal access, utility upgrades) that strengthen both TIFIA eligibility and the site's development readiness (can use a landing page or Power BI, or both).

Conduct a Connectivity & Access Engineering Study

Advance conceptual engineering for circulation, walkability, and safety improvements to establish cost ranges and feasibility. This will show federal partners, and private investors, that the City is serious about creating a safe, connected district.

Align the Connectivity Package With the Project (Site or Land Swap Parcel)

Demonstrate that the proposed circulation improvements fit cleanly with future parcel boundaries created by the land swap. Investors want predictable parcel edges, access points, and utility routes before committing capital.

Integrate Connectivity Improvements Into P3 Discussions

Share early concepts with potential developers/operators to align on how walkability, access, and infrastructure investments support their pro formas. Demonstrating City leadership on connectivity increases investor confidence.

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Appendices:
Appendix A - E

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Appendix A: Site Specific Maps

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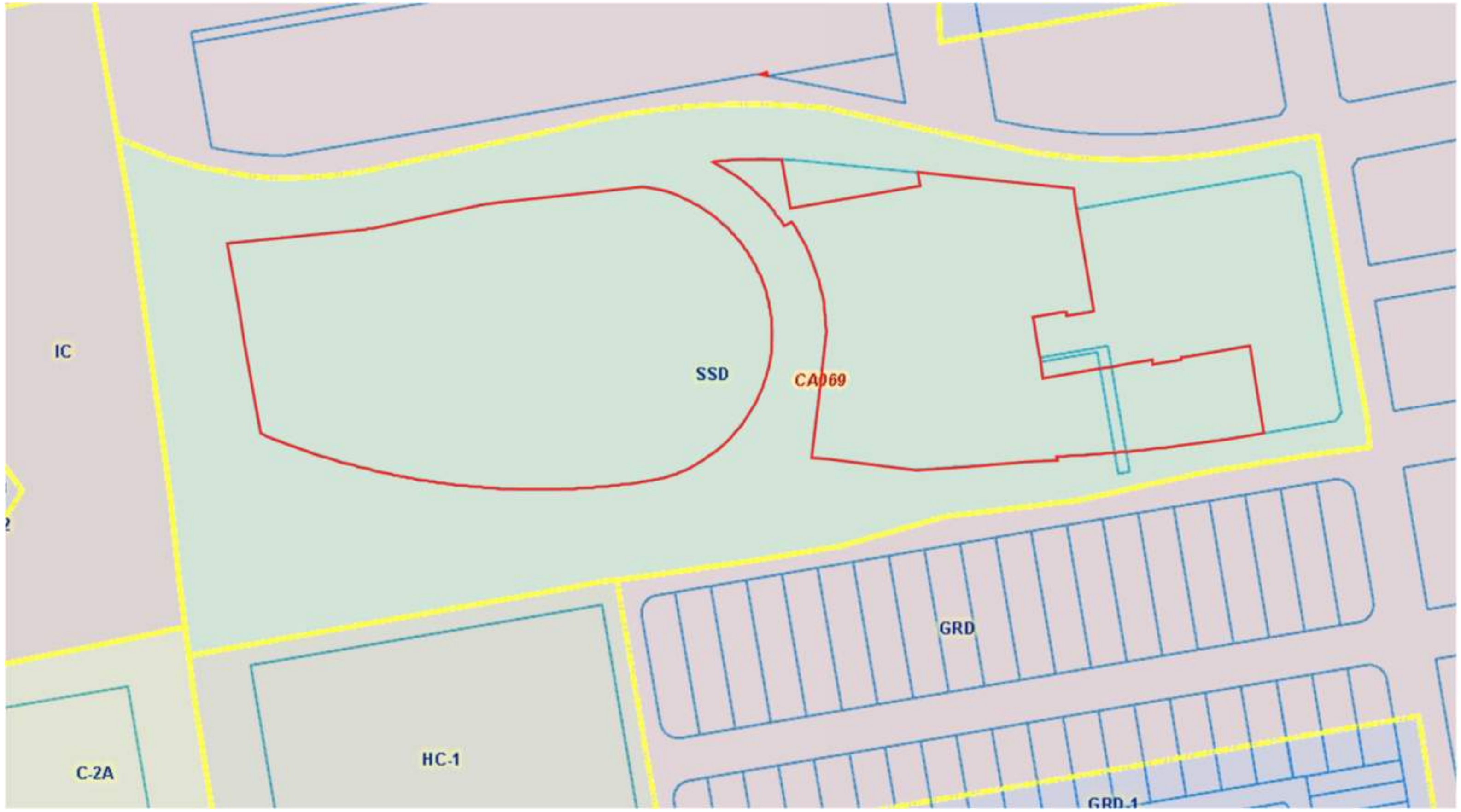
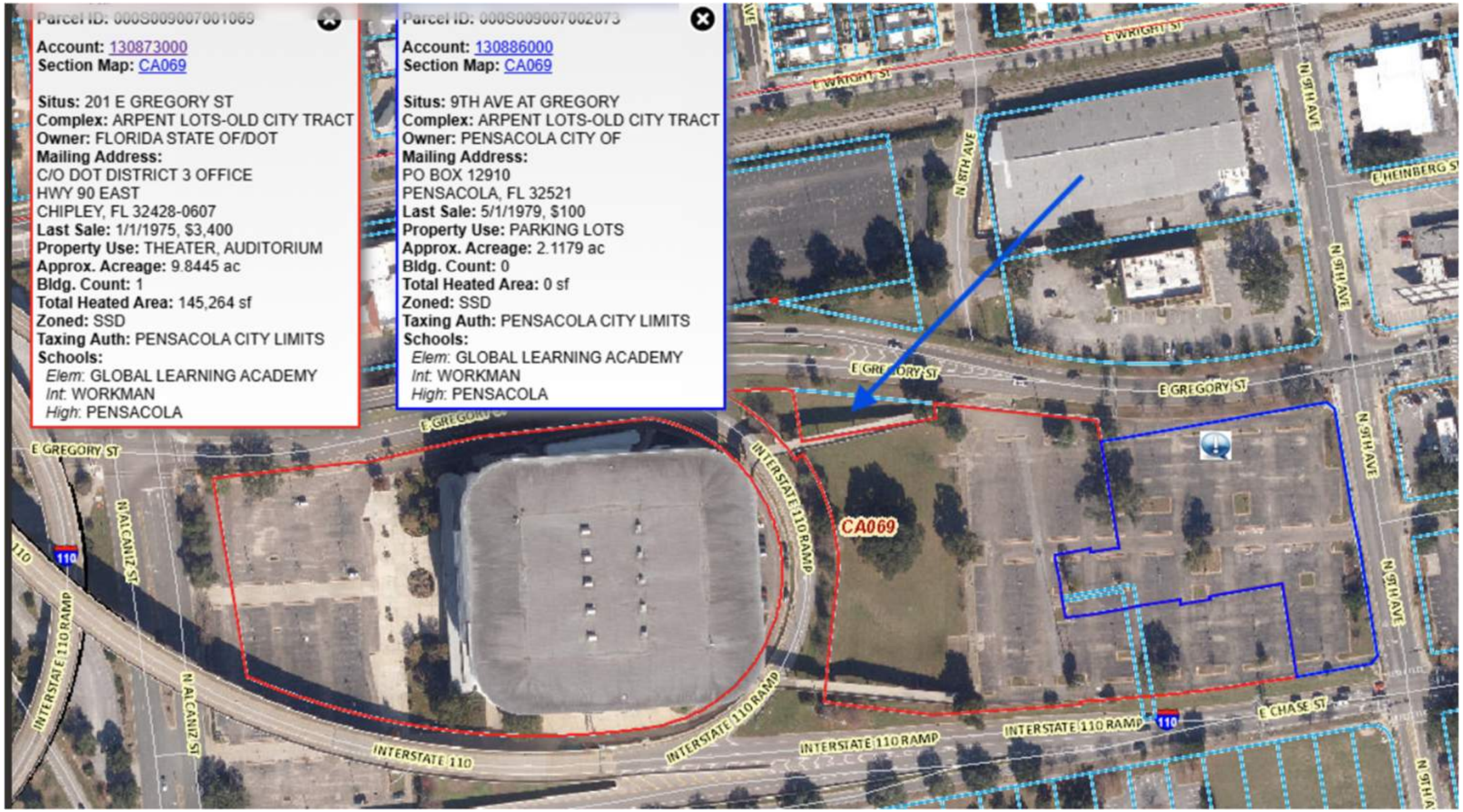
Zoning Details



** SSD is enacted to provide for the option of amending an approved final development plan for any parcel of property that was zoned SSD (site specific development) prior to May 1, 1990. Subsequent to May 1, 1990 no rezonings to SSD have been allowed. Minor changes to a final development plan may be approved by the mayor, city engineer, the planning services department and building official when in their opinion the changes do not make major changes in the arrangement of buildings or other major features of the final development plan.*

Proposed Traffic Improvements to Site as per City Documents

Site Details and Parcel Ownership



Appendix B: Current Local and Regional Facilities Capacities

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PBC Capacity

- The following chart summarizes the sizes and capacities of the PBC's meeting rooms (not including the 20,000-square foot event floor).

	SF	Capacities			
		Theatre	Reception	Rounds	Classroom
A-A1 Combined	2,560	200	250	108	108
A	1,000	100	100	36	32
A1	1,560	100	120	63	60
B	1,170	80	80	54	56
C1-C3 Combined	3,198	300	300	252	168
C1	975	80	80	54	56
C2	1,248	80	80	54	56
C3	975	80	80	54	56
C1-C2	2,223	170	180	108	104
D	1,170	80	80	54	56
E	1,170	80	80	54	56
F1-F3 Combined	3,198	300	300	252	168
F1	975	80	80	54	56
F2	1,248	80	80	54	56
F3	975	80	80	54	56
F1-F2	2,223	170	180	108	104
G	1,170	80	80	54	56

Hilton Pensacola Beach Capacity

	SF	Capacities							
		Boardroom	Theater	Reception	Banquet	Classroom	UShape	HSquare	Conference
Aquamarine Room	1,012	35	130	135	60	60	35	38	35
Aquamarine 1 or 2	704	18	55	60	30	25	18	21	18
Board Room	384	10							10
Coral Reef Room	1,400	50	150	150	120	70	50	53	50
Emerald Coast Room	2,310	66	230	275	216	150	66	48	66
Emerald Coast 1	884	25	95	85	72	45	25	28	25
Emerald Coast 2	1,457	45	165	140	132	80	45	48	45
Meeting Rooms									
Meeting Room A	1,674	48	150	175	100	81	48	51	48
Meeting Room B	1,674	48	150	175	100	81	48	51	48
Meeting Room C	1,674	48	150	175	100	81	48	51	48
Meeting Room D	540	16	40	40	30	24	16	19	16
Meeting Room E	540	16	40	40	30	24	16	19	16
Meeting Room F	540	16	40	40	30	24	16	19	16
Oleander	880	36	100	80	40	24	36	39	36
The Royal Palm Ballroom	6,758		700	800	500	375			
The White Sands Room	2,150	66	230	200	204	162	66	69	66

Boardwalk Beach Resort Hotel & Convention Center, Panama City Beach

	SF	Capacities			
		Theatre	Class	Banquet	Recep
Grand Ballroom	15,000	1500	900	900	3000
A	5,000	500	300	300	1000
B	5,000	500	300	300	1000
C	5,000	500	300	300	1000
Pre-Function					
Concourse A	3,760				400
Concourse B	748				70
Atrium	1,460				100
Breakout Rooms					
1	1,250	75	40	40	75
2	1,250	75	40	40	75
3	1,250	75	40	40	75
4	1,250	75	40	40	75
5	1,665	150	100	100	250
6	1,665	150	100	100	250
7	1,665	150	100	100	250

Destin-fort Walton Beach Convention Center, Fort Walton Beach, FL

	SF	Capacities						
		Banquet	Conference	Square	Reception	School Room	Theatre	U-Shape
Emerald Grand								
Ballroom + Exh. Hall	21,200	2,400	2,350	1,584	1,330			
Ballroom 1	11,200	1,200	1,175	792	630			
Ballroom 2	4,800	500	460	306	280			
Ballroom 3	2,500	250	220	144	140	72	56	42
Ballroom 4	2,500	250	220	144	140	72	56	42
Ballroom 1 & 2	16,000	1,800	1,739	1,188	980			
Ballroom 3 & 4	5,100	500	480	306	280			
Ballroom 2, 3, & 4	10,000	1,100	1,056	684	560			
Palm	1,575	165	150	108	100	64	56	50
Palm 1	775	80	75	45	40	32	24	24
Palm 2	775	80	75	45	40	32	24	24
Sunset	1,170	120	110	72	60	40	40	34
Sunset 1	575	60	55	33	20	24	20	18
Sunset 2	575	60	55	33	20	24	20	18
Island	900	100	92	60	50	32	32	26
Island 1	450	45	40	24	20	16	20	18
Island 2	450	45	40	24	20	16	20	18

	SF	Capacities				
		Banquet	Conference	School Room	Theatre	U-Shape
Sandcastle	425					16
Dolphin	425					16
Outdoor Spaces						
Bayview Plaza	30,000					
Bayview Pavilion	1,496					
North Terrace	600					
East Terrace	3,500					
South Terrace	1,273					

Sandestin Golf And Beach Resort, Linkside

	SF	Capacities						
		Theater	Classroom	Banquet	Reception	Hollow Square	U-Shaped	Exhibits
Full Ballroom	5,960	745	369	470	625			37
A	1,344	135	72	90	150	42	36	10
B	1,344	135	72	90	150	42	36	10
C	1,344	135	72	90	150	42	36	10
D	1,680	175	90	110	180	48	39	11
Foyer	3,000							
Bayview Conf. Rooms								
Terrace I - III	1,610	150	90	100	165	72		
Terrace I	506	40	24	30	55	16		
Terrace II	552	40	24	30	60	16		
Terrace III	552	40	24	30	60	16		
Foyer	1,500			100	150			
Bayview Room	1,679	185	90	130	180	66		
Bayview Terrace	1,248	120		110	175			
Linkside Parlor	506		10		20			
Linkside Boardroom	506		10		20			
Poolside Terrace				370	500			
Bayside								
Full Ballroom	4,000	475	250	330	420		26	
E	1,000	110	55	60	100	42	6	
F	1,000	110	55	60	100	42	6	
G	1,000	110	55	60	100	42	6	
H	1,000	110	55	60	100	42	6	
Bayside Foyer	1,184			65	150			
Bayside Patio	1,050	100		90	150			
Linkside Exhibit Hall	12,600	1,200	800	950	1,200			

Sandestin Golf And Beach Resort, Baytowne

	SF	Capacities						
		Theater	Classroom	Banquet	Reception	Hollow Square	U-Shaped	Exhibits
Magnolia								
Full Ballroom	13,500	1,500	900	900	900			92
Ballroom ABC	5,550	600	324	360				38
Ballroom DEF	5,550	600	324	360				38
A	1,850	180	105	120	265	60	48	12
B	1,850	180	105	120	265	60	48	12
C	1,850	180	105	120	265	60	48	12
E	1,850	180	105	120	265	60	48	12
F	1,850	180	105	120	265	60	48	12
Corridor	2,400							
Foyer	3,800				550			
Breezeway				144	250			
Azalea								
Full Ballroom	5,500	600	324	360	800			
1	1,850	180	105	120	265	60	48	12
2	1,850	180	105	120	265	60	48	12
3	1,850	180	105	120	265	60	48	12
Foyer	2,500							11
Corridor								13
Camellia								
1 & 2	2,900	260	144	200	400	90	72	17
1	1,450	126	84	100	200	48	42	8
2	1,450	126	84	100	200	48	42	8
Jasmine	750	60	27	40	100	30	24	6
Oak Boardroom	350	12						
Cypress Boardroom	350	12						
Grand Lawn	10,000			400	1,000			

Arthur R. Outlaw Mobile Convention Center, Mobile, AL

	SF	Capacities			
		Banquet	Theater	Classroom	Exhibit Booths
Exhibit Level					
Exhibit Hall	100,000	8,280	11,110	8,896	534
North Hall	50,000	4,140	5,555	4,448	267
South Hall	50,000	4,140	5,555	4,448	267
Meeting Rooms					
105	1,400	90	154	90	
105A	700	40	77	45	
105B	700	40	77	45	
106	3,200	230	354	210	
106A	1,600	100	177	100	
106B	1,600	100	177	100	
107	3,100	230	343	210	
107A	1,500	100	166	100	
107B	1,600	100	177	100	
Prefunction Area	13,000				
Outdoor Terraces	20,000				
Concourse Level					
Grand Ballroom	15,508	1,000	1,600	924	80
East	7,000	450	685	462	40
West	7,000	450	735	462	40
Meeting Rooms					
201	6,834	360	830	519	
201A	1,700	90	172	102	
201B	1,700	90	172	102	
201C	1,700	90	172	102	
201D	1,700	90	172	102	

	SF	Capacities			
		Banquet	Theater	Classroom	Exhibit Booths
202	3,536	200	397	231	
202A	1,800	90	172	102	
202B	1,700	90	172	102	
203	3,536	200	397	231	
203A	1,700	90	172	102	
203B	1,800	90	172	102	
204	4,252	300	484	309	
204A	2,500	200	288	168	
204B	1,700	90	172	102	
Prefunction Area	39,000				
Outdoor Terraces	20,000				

Foley Event Center, Foley, AL

Facility layout and court accommodations in Conceptual Design & Site Integration

The Lodge At Gulf State Park, Gulf Shores, AL

	SF	Capacities						
		Banquet	Conference	Square	Reception	School Room	Theatre	U-Shape
Gulfview Ballroom	12,160	800	0	0	1,200	550	1,300	0
Dunes Terrace	5,400	0	0	0	200	0	0	0
Gulfview Salon I	4,104	270	0	0	400	170	400	0
Gulfview Salon II	4,104	270	0	0	400	170	0	0
Gulfview Salon III	1,976	130	50	45	200	80	0	50
Gulfview Salon IV	1,976	130	50	45	200	80	0	50
Breezeway Lawn	3,000	0	0	0	100	0	0	0
Meeting Suite Pre-Function	2,660	0	0	0	0	0	15	0
Meeting Room Pre-Function	2,590	0	0	0	0	0	0	0
Meeting Suite 4	2,590	0	8	0	0	0	0	0
Live Oak	2,184	50	16	16	72	36	0	20
Ballroom Pre-Function	902	420	10	0	0	0	0	0
The Burrow	902	80	22	20	90	45	90	24
Cypress	702	50	16	16	72	36	0	20
Live Oak I	702	50	16	16	72	36	0	20
Live Oak II	702	50	16	16	72	36	0	20
Live Oak III	702	50	16	16	72	36	0	20
Meeting Suite Deluxe	672	0	10	0	0	0	0	0
Sea Oats	648	50	14	14	60	26	70	18

	SF	Conference	Square	Reception	School Room	Theatre	U-Shape	Banquet
Meeting Suite 1	1,040	80	25	25	100	50	110	30
Meeting Suite 2	459	30	8	0	45	18	0	0
Meeting Suite 3	459	0	8	0	0	0	0	0
Meeting Suite 5	459	0	8	0	0	0	0	0
Meeting Suite 6	459	0	8	0	0	0	0	0
Corner Board Room	432	0	14	0	0	0	0	0

Perdido Beach Resort, Orange Beach, AL

	SF	Capacities			
		Theater	Classroom	Reception	Rounds
Grand Ballroom	8,500	650	420	1,000	470
Salon A	690	32	24	40	30
Salon B	660	32	24	40	30
Salon C	690	32	24	40	30
Salon D	2,210	200	105	250	120
Salon E	2,210	200	105	250	120
Salon F	690	32	24	40	30
Salon G	660	32	24	40	30
Salon H	690	32	24	40	30
Grand Ballroom Foyer	2,400				
Azure	450	32	20	20	24
Coral	450	32	20	20	24
Emerald	450	32	20	20	24
Sand Castle I & II	2,750	200	120	250	160
Sand Castle	1,150	70	45	75	40
Sand Castle	1,600	110	70	100	60
Sand Dollar	1,100	60	40	75	48
Board Room	900				
Night Reef	2,600	140	100	160	100
Grand Reef	8,000	400	290	800	480
Paradise Reef	1,350	60	50	60	50
Beach Deck (Outdoor)	7,800	400			
Paradise Point (Outdoor)	6,500	250			
Sand Breeze Hospitality Suite	1,100			40	
Grand Ballroom	8,500	650	420	1,000	470
Salon A	690	32	24	40	30

Appendix C: Submarket Analysis

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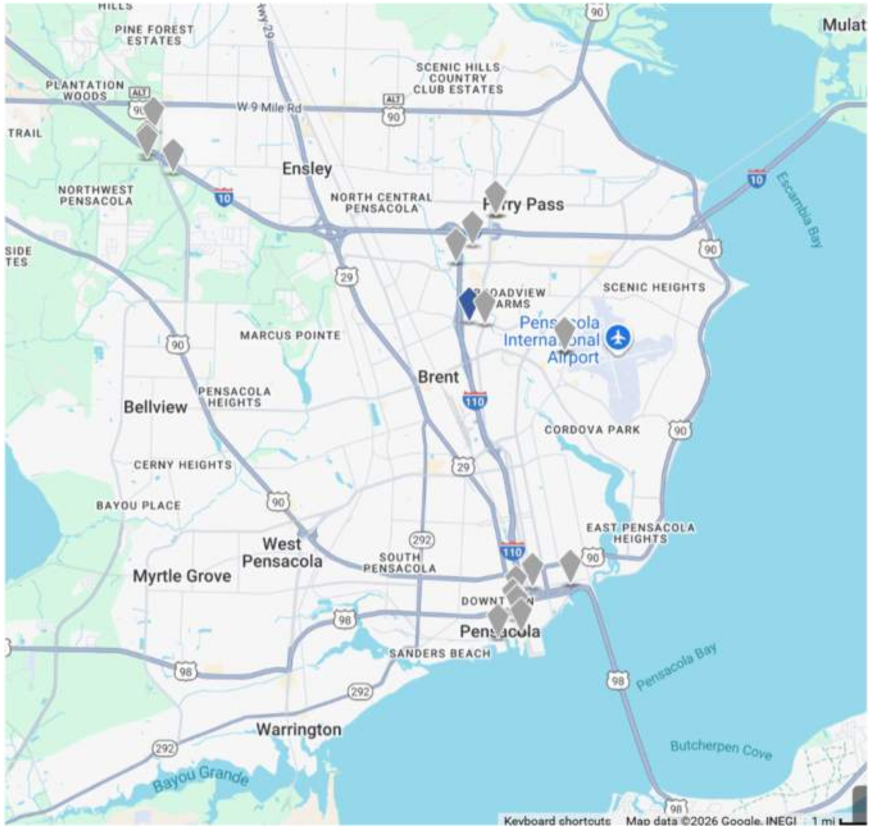
Submarket Indicators - Central Pensacola / S. Brent

Hospitality

Under Constr Rooms	12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	Market Sale Price/Room
243	63.0%	$143.20	$90.21	$138K

Hotel performance in the Central Pensacola / South Brent submarket has remained generally stable, with recent gains driven more by leisure travel than group or convention demand. Through November 2025, RevPAR increased approximately 1.2%, supported by a modest improvement in both occupancy (+0.4%) and average daily rate (+0.8%). Weekend and seasonal leisure travel has continued to bolster performance; however, group demand weakened during the summer months and again in October, reflecting fewer corporate events and declining association activity.

Looking ahead, performance is expected to flatten rather than accelerate. RevPAR is projected to grow by approximately -0.5% by year-end, largely dependent on incremental rate growth rather than occupancy gains. At the same time, new hotel supply is anticipated to outpace demand growth in the second half of 2026, placing downward pressure on occupied room nights. For context, Pensacola is the third-largest hotel submarket in the Florida Panhandle, with roughly 10,000 rooms, and typically ranks second or third in RevPAR behind Fort Walton Beach and Panama City.



Proposed, Under Renovation/Construction/Final Planning Hospitality in Pensacola, FL

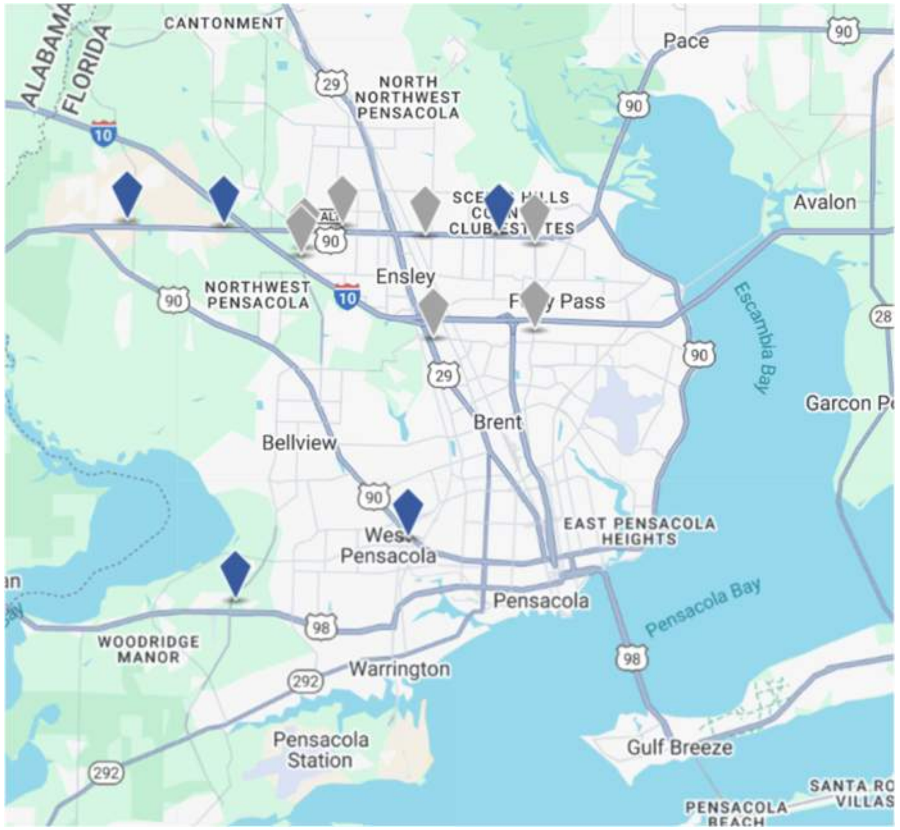
Source: CoStar

Submarket Indicators - Central Pensacola / S. Brent

Retail

Retail conditions are diverging between the two nearby sub-markets. Downtown Pensacola shows softening demand: vacancy has risen to ~4.6% (up ~1.9% YoY), with negative absorption (~-27K SF) and no new construction; rent growth has slowed to about $19.90/SF (+1.3% YoY), well below its 5- and 10-year averages—signaling weaker pricing power despite relatively low availability. Central Pensacola / S. Brent, by contrast, remains healthier with vacancy ~5.2% (-0.4% YoY), positive absorption (~+14K SF), negligible new deliveries, and rents near $15.00/SF (+1.4% YoY)—a steadier trend even if growth is below long-run norms. Neither sub-market has retail under construction, reducing near-term supply risk.

Overall, the retail picture reflects a submarket in balance but without strong momentum. Downtown's rising vacancy and slower rent growth point to softer tenant demand rather than a supply shock, as no new projects are under construction. Meanwhile, Central Pensacola / S. Brent's modest improvement of positive absorption with slightly lower vacancy suggests steady, needs-based leasing rather than breakout expansion. Across both areas, the lack of an active pipeline reduces the risk of near-term oversupply, but the cooling of rent growth versus historical norms underscores a mature market where pricing power is stable, not accelerating.



Source: CoStar

Proposed, Under Renovation/Construction/Final Planning Retail in Pensacola, FL

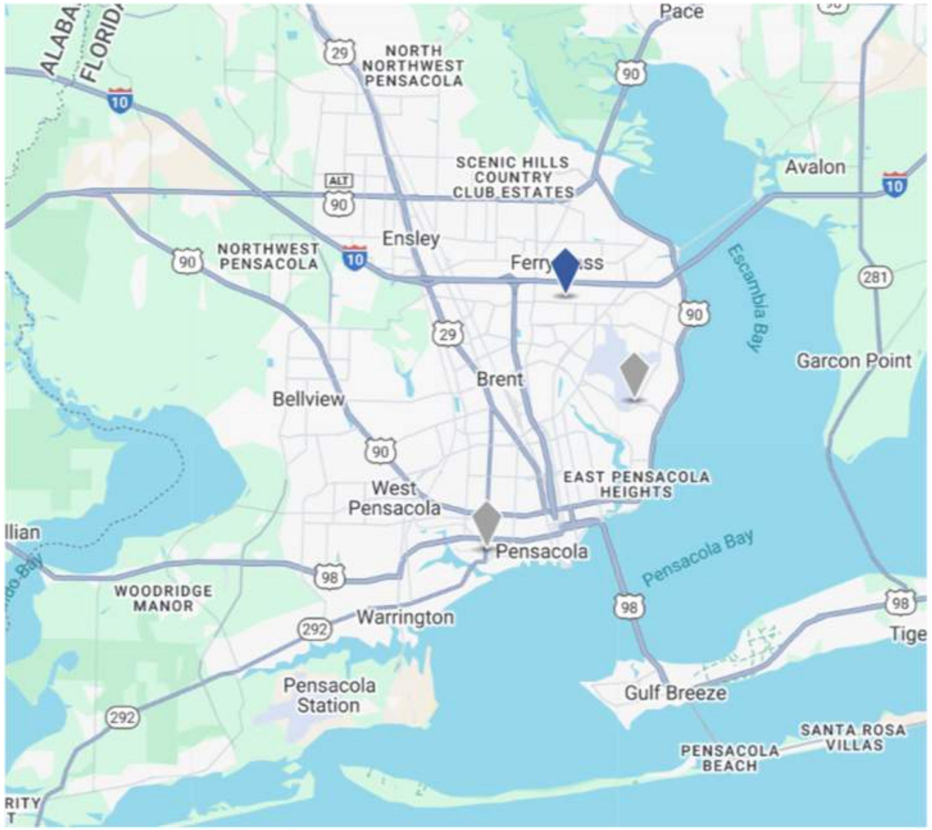
Submarket Indicators - Central Pensacola / S. Brent

Office

As of Q1 2026, the Central Pensacola / South Brent office submarket is experiencing elevated vacancy relative to historical norms. Vacancy currently stands at 7.9%, reflecting a 5.1% increase year-over-year, driven by negative net absorption of approximately 210,000 SF and no new office deliveries during the period. This vacancy level is meaningfully higher than both the five-year average (3.2%) and ten-year average (3.4%), signaling short-term softness following a prolonged period of tighter conditions.

Total available space in the submarket is approximately 370,000 SF, equating to an availability rate of 9.3%. Importantly, there is no office product currently under construction, contrasting with a historical average of roughly 18,000 SF under construction annually over the past decade. The submarket consists of approximately 4.0 million SF of total inventory, compared to 17.1 million SF metro-wide.

Average asking rents in Central Pensacola / S. Brent are approximately $25.00 per square foot, modestly below the broader Pensacola market average of $27.00 per square foot. Annual rent growth of 1.9% slightly outpaces the metro average (1.7%), but remains well below the submarket's historical performance, which averaged 5.0% annual growth over five years and 4.1% over ten years.



Source: CoStar

Proposed, Under Renovation/Construction/Final Planning Office in Pensacola, FL

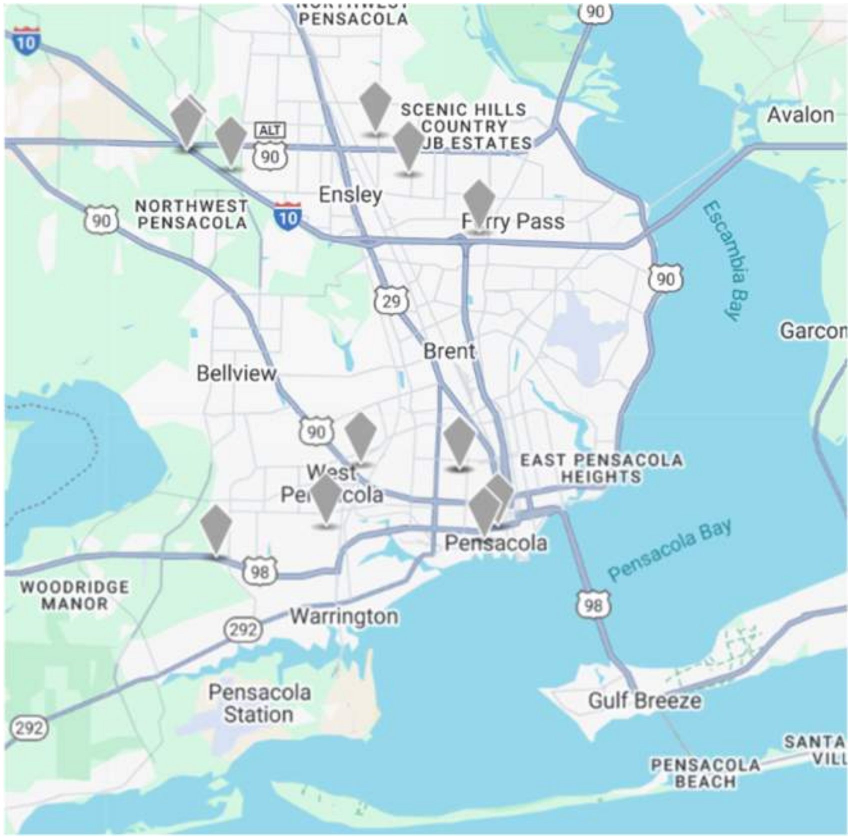
Submarket Indicators - Central Pensacola / S. Brent

Multifamily

Under Constr Units	12 Mo Net Absorp Units	Vacancy Rate	Market Asking Rent/Unit	Market Sale Price/Unit
1,285 ⬆	696 ⬆	13.1% ⬇	$1,538 ⬆	$196K ⬆

Multifamily market conditions in Central Pensacola / South Brent remain challenging, shaped by elevated interest rates, rising insurance costs common to coastal markets, and a sustained period in which new supply has outpaced renter demand. While renter absorption improved over the 12 months ending Q1 2026—totaling approximately 700 units, a 30% increase year-over-year—this demand was largely offset by the delivery of roughly 670 new units, extending a multi-year trend of supply pressure. As a result, overall market vacancy increased to approximately 13.1%, with the highest pressure concentrated in newly delivered product.

Performance varies meaningfully by asset quality. All net absorption occurred within 4- and 5-Star properties, reflecting renter preference for higher-quality units; however, this segment also experienced the majority of new deliveries (~660 units), pushing vacancy within the segment to 13.8% and placing downward pressure on rents. Rent growth has begun to stabilize following prior declines, posting a modest +0.2% year-over-year change, though performance differs by class. Mid-tier (3-Star) properties demonstrated the strongest rent resilience, while both upscale and lower-tier assets continue to face headwinds. Importantly, development activity is moderating, with units under construction declining approximately 25% year-over-year, signaling easing supply pressure over the medium term.



Source: CoStar

Proposed, Under Renovation/Construction/Final Planning Multifamily in Pensacola, FL

Retail Competitive Benchmarking

Portfolio-level view (5 markets):

- Average Asking Rent: $20.79/SF
- Average Vacancy: 3.4% (tight overall)
- Average Rent Growth: 1.9%Total Inventory: 118.4M SF
- Total Under Construction: 368.5K SF
- Net Absorption (12 Mo): –610K SF (demand softness overall)
- Total Sales Volume: $647M

- Highest Rents: Gainesville, FL ($24.64/SF)
- Lowest Vacancy: Ft. Walton Beach, FL (2.5%)

Key Takeaways

- Despite low vacancies across markets, net absorption is negative in Pensacola, Tallahassee, and Panama City, indicating recent demand pullback.
- Gainesville and Ft. Walton Beach are outperforming on pricing and occupancy, suggesting stronger tenant demand and pricing power.
- Development activity is concentrated in Pensacola and Panama City, which could pressure near-term absorption if demand doesn't rebound.

Market	Asset Value ($B)	Inventory SF (M)	Under Construction SF (K)	12 Mo Net Absorption SF (K)	Vacancy Rate (%)	Asking Rent ($/SF)	Rent Growth (%)	Sale Price ($/SF)	12 Mo Sales Volume ($M)
Pensacola, FL	5.2	32.1	190	-265	4	17.8	1.7	161	141
Ft Walton Beach, FL	5.2	21.9	54.6	38.8	2.5	22.79	2.2	235	107
Tallahassee, FL	5.1	24.7	34.5	-215	4	19.69	2.1	207	166
Gainesville, FL	4.7	21.2	11	15.7	3.7	24.64	1.5	219	146
Panama City, FL	3.6	18.5	78.4	-185	2.9	19.02	2.1	193	87

Submarket Indicators - Three (3) Mile Radius from Site

Office

Under Construction SF	12 Mo Net Absorption SF	Vacancy Rate	Market Cap Rate	Market Asking Rent/SF
0	**-232,338**	**6.1%**	**10.2%**	**$26.93**

The office submarket within a three-mile radius of the Bay Center is experiencing softening conditions driven by reduced tenant demand, not new supply. Vacancy has increased to 6.12%, up 3.6% from a year ago and above the typical long-term range. This rise is largely attributable to significant negative net absorption (–232,338 SF) over the past 12 months, indicating tenant contractions, consolidations, or relocations rather than competitive new construction. Notably, no new office space was delivered during the period, reinforcing that demand weakness, not oversupply, is driving current conditions.

Despite weakening occupancy, pricing remains relatively stable. Market asking rents increased modestly to $26.93/SF, reflecting 1.3% annual growth, though this represents a slowdown from last year. Sale prices rose to $133/SF, while cap rates held steady at 10.2%, suggesting investors are underwriting conservatively but not exiting the market. Sales volume rebounded to $25M, roughly in line with the ten-year average, signaling continued liquidity among selective buyers. Forecasts indicate vacancy is expected to hover near current levels through 2030, with gradual rent growth and stabilization rather than a near-term rebound.

Key Takeaways

- Weakness is demand-led, not supply-driven: Tenant contractions and space give-backs are the primary drivers of vacancy, with no new construction amplifying risk.
- Market favors adaptive and anchored uses: Traditional speculative office faces challenges, while project-driven, institutional, or hybrid uses are better aligned.
- Landlords retain pricing discipline: Stable rents suggest owners are prioritizing credit quality and lease terms over aggressive concessions.
- Investor interest remains selective: Transaction volume and steady cap rates indicate continued liquidity, but only for well-positioned assets.
- Office works best as a supporting use: Market conditions favor office components that complement destination or civic projects rather than stand alone.

Source: CoStar

Submarket Indicators - Three (3) Mile Radius from Site

Multifamily

Under Construction Units	12 Mo Net Absorption Units	Vacancy Rate	Market Cap Rate	Market Asking Rent/Unit
488	**8**	**6.7%**	**6.2%**	**$1,420**

The multifamily market within a three-mile radius of the PBC remains generally stable but increasingly supply-pressured, reflecting broader regional trends. Current occupancy stands at 93.3%, slightly below last year's 93.9% but still within the typical historical range. Vacancy of 6.7% similarly remains within long-term norms, though forecasts indicate it may rise modestly in the near term before stabilizing closer to 6% by 2030. These conditions suggest the market is adjusting to recent deliveries rather than experiencing structural demand weakness.

Rent growth has moderated meaningfully following strong gains last year. Average market rent is approximately $1,420 per unit, slightly below last year but above the long-term range ($1,068-$1,387). Despite softer rent momentum, pricing remains above long-term averages, indicating demand fundamentals remain intact. Investment metrics continue to show strength. Sale prices per unit reached a ten-year high of $164K, while cap rates declined modestly to 6.2%, reflecting sustained investor confidence. However, the pipeline is expanding, with 488 units under construction, signaling near-term pressure on occupancy and rent growth before longer-term stabilization.

Key Takeaways

- Market is absorbing supply, not losing renters: Recent softness reflects a digestion phase following new deliveries, rather than a breakdown in renter demand or household formation.
- Pricing power has shifted from landlords to balance: Slower rent growth signals a normalization from recent peaks, with concessions and unit mix likely playing a larger role than headline rent cuts.
- Near-term pressure is supply-driven, not cyclical: Elevated construction activity introduces short-term friction, but does not indicate long-term structural imbalance in the submarket.
- Capital markets remain supportive of the asset class: Record pricing and tightening cap rates suggest investors are underwriting through current operating softness with a long-term view.
- Stabilization favors disciplined, phased development: Market conditions support incremental absorption rather than rapid lease-up, rewarding projects with measured delivery timing and product differentiation.

Source: CoStar

Appendix D: Resident Survey Results

Empowering growth.

Resident Survey

Full survey attached as a separate file.

Appendix E: Sources

Empowering growth.

Sources

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Contacts

Raleigh
Jose Davila, Senior Vice President

Houston
Sana Dadabhoy, Associate Vice President

Press Inquiries
Jake.Witt@wtpartnership.co

THE CITY OF PENSACOLA
WHERE FLORIDA BEGINS

Pensacola Bay Center Proposed Projects

The City of Pensacola is evaluating the future of the Pensacola Bay Center and the surrounding property as part of a larger effort to increase community engagement and support long-term economic growth.

Based on the city's initial assessment, three potential development options are currently under consideration:

- Option 1 – Convention Center: Develop a modern convention center capable of hosting conferences, trade shows, and large events that would attract visitors from across the region.
- Option 2 – Ice Rink: Build a year-round ice rink offering public skating, instructional programs, and space for local teams and regional tournaments.
- Option 3 – Indoor Sports Complex: Create a multi-court indoor facility designed for basketball, volleyball, and other indoor sports to support local leagues and host regional tournaments.

While Escambia County has conducted a separate study, the City's evaluation expands on that work by exploring the development of a vibrant, connected district that enhances safety, creates jobs, and strengthens the local economy.

Redevelopment of the Bay Center area may occur in phases as part of a long-term vision to improve the surrounding neighborhood and support future growth.

Your feedback is essential to shaping a project that reflects the priorities and needs of the Downtown Pensacola community. This survey provides an opportunity for you to help guide decision-making and measure community preferences. All responses are anonymous.

The City also encourages additional feedback through the open-ended question near the end of the survey. A few optional demographic questions will be included at the conclusion of the survey.

Thank you for your participation.

* 1. What type of development do you feel would best benefit Pensacola?

- ◯ Workforce Housing
- ◯ Commercial and Business Spaces
- ◯ Mixed-Use Development (live, work, play)
- ◯ Parks and Green Space
- ◯ Community Activities
- ◯ Infrastructure Improvements
- ◯ Other (please specify)

* 2. Do you believe increasing tourism is an important goal for Pensacola in generating taxes?

- ◯ Yes
- ◯ No

The following questions solicit your feedback on Option 1- Convention Center. For the purposes of this survey, a "Convention Center" is a modern multi-space venue that would host conferences, trade shows and large gatherings, drawing visitors from across the region.

* 3. To what extent do you support or oppose the creation of a new multipurpose Convention Center in Pensacola?

- Strongly Support
- Support
- Neutral
- Oppose
- Strongly Oppose

* 4. A new Convention Center would seek to draw increased tourism, attracting regional and Florida-based conferences. This is expected to diversify the local economy and create jobs for tourism-related sectors such as hospitality and retail. How strongly do you support this strategy for the City?

- Strongly Support
- Support
- Neutral
- Oppose
- Strongly Oppose

* 5. In your opinion, what are the key benefits of having a new Convention Center in Pensacola? (Select all that apply)

- [ ] Job Creation
- [ ] Increased Tourism
- [ ] Increased Tax Revenue
- [ ] Enhanced local community engagement
- [ ] Connectivity/Walkability/Safety
- [ ] Other

* 6. What concerns, if any, do you have about the creation of a new Convention Center in Pensacola? (Select all that apply)

- [ ] Traffic and Congestion
- [ ] Environmental Impact
- [ ] Property Values
- [ ] Underutilization Risk
- [ ] None
- [ ] Other (please specify)

The following questions solicit your feedback on Option 2- Ice Rink. For the purposes of this survey, an "Ice Rink" is a new, year-round ice skating complex offering public access and programing, as well as the capacity to host leagues and regional tournaments.

* 7. To what extent do you support or oppose the creation of a new Ice Rink in Pensacola?

- ◯ Strongly Support
- ◯ Support
- ◯ Neutral
- ◯ Oppose
- ◯ Strongly Oppose

* 8. Should a permanent, year-round public Ice Rink be built, how often would you, or members of your household, be likely to use it?

- ◯ Daily
- ◯ A couple of times per week
- ◯ A couple of times per month
- ◯ A couple of times per year
- ◯ Never

* 9. In your opinion, what are the key benefits of having a new Ice Rink in Pensacola? (Select all that apply)

- ☐ Recreation Opportunities
- ☐ Community Engagement
- ☐ Economic Impact
- ☐ Youth Development
- ☐ None
- ☐ Other (please describe)

* 10. What concerns, if any, do you have about the creation of a new full-time Ice Rink in Pensacola? (Select all that apply)

- ☐ Traffic and Congestion
- ☐ Environmental Impact
- ☐ Property Values
- ☐ Underutilization Risk
- ☐ Other (please specify)

The following questions solicit your feedback on Option 3- Indoor Sports Complex. For the purposes of this survey, an "Indoor Sports Complex" is a multi-court indoor sports facility designed for basketball, volleyball and other indoor sports, supporting local leagues and regional tournaments.

* 11. How strongly do you support or oppose the creation of a new public Indoor Sports Complex in Pensacola?

- Strongly Support
- Support
- Neutral
- Oppose
- Strongly Oppose

* 12. Should an Indoor Sports Complex be built, how often would you, or members of your household, be likely to use it or attend events there?

- A couple of times per week
- A couple of times per month
- A couple of times per year
- Never

* 13. In your opinion, what are the key benefits of having a new Indoor Sports Complex in Pensacola? (Select all that apply)

- [ ] Health and Wellness
- [ ] Community Engagement
- [ ] Economic Impact
- [ ] Youth Development
- [ ] Versatility/Multi-Purpose Facilities
- [ ] None
- [ ] Other (please specify)

* 14. What concerns, if any, do you have about the creation of an Indoor Sports Complex in Pensacola? (Select all that apply)

- [ ] Traffic and Congestion
- [ ] Environmental Impact
- [ ] Property Values
- [ ] Underutilization Risk
- [ ] None
- [ ] Other (please specify)

* 15. Of the three proposed projects, please rank, in order of preference, which you believe is the most valuable pursuit for the City of Pensacola at this time?

- Convention Center
- Ice Rink
- Indoor Sports Complex

* 16. If the selected development were to also include a hotel, parking garage, and/or an entertainment district (a mixed-use area with amenities and green space), please rank, in order of preference, which of the three proposed projects you believe is the most valuable pursuit for the City of Pensacola at this time?

- Convention Center
- Ice Rink
- Indoor Sports Complex

* 17. In addition to the three potential development options presented, the City welcomes any further input on potential development. Please use the space below to share additional suggestions or feedback related to the options above.

Please answer the following demographic questions.

* 18. Please enter your zip code

* 19. Please select your age range

- Under 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+

* 20. What is the composition of your household? Please enter the number of adults (18 and older) and the number of children (under age 18)

	Number
Adults (18 and older)	
Children (Under 18)	

* 21. Please select the industry most closely associated with your job.

- Financial Services
- Healthcare
- Education
- Manufacturing/Industrial
- Public Service (State and Local)
- Federal Service/DoD/Contractor
- Hospitality
- Other (please specify)

* 22. Are you considering relocating to a different city in the next 6 - 12 months?

- Yes
- No

* 23. If you are planning to leave Pensacola in the next 6-12 months, please indicate the primary motivating factor.

- Military Reloaction
- Job Opportunities
- Quality of Life
- Housing
- Education (School/College)
- Access to Nature
- Not applicable
- Other (please specify)

Thank you for your time and feedback!