



CITY OF ST. PETERSBURG

CITY OF ST. PETERSBURG, FLORIDA

Office of the Mayor

RICK KRISEMAN, Mayor

June 17, 2016

Board of County Commissioners  
315 Court Street, 5<sup>th</sup> Floor  
Clearwater, FL. 33756

Dear Chair Justice, Vice Chair Long, Commissioners Seel, Welch, Morroni, Gerard, & Eggers:

Please find the May 2, 2016 Business and Operations Plan and the Addendum that was received on May 12, 2016. Both documents represent preliminary work that lead to a final negotiated settlement on a public-private partnership. This final settlement is represented in Addendum II, which was previously sent to you.

Please take note of the following items in the May 2<sup>nd</sup> Business & Operations Plan:

- The Report reflected a \$1.95 million project cost.
- The project included cost for Apollo Beach Service assuming regulatory issues could be resolved.
- The project included three (3) trips on Saturday and Sunday and one (1) trip Monday – Thursday.
- The project included 10 excursions, marketing, insurance and 3 expenses for terminals and contingencies.

After a thorough review by City of St. Petersburg staff, this Business and Operational Plan was found to be too expensive and not feasible. After further discussions with HMS, an Addendum (May 12, 2016) was issued by HMS.

Please take note of the following items included in the May 12<sup>th</sup> Addendum:

- The Addendum reflected revisions to the program plan outlined on the bottom of page 2 and top of page 3.
- The Addendum shifted more of the operational risk to the public sector.

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After a thorough review by the City of St. Petersburg staff, this Business and Operational Plan was found to be not feasible. Subsequent discussions and negotiations with HMS lead to Addendum II, which is what is being submitted for consideration.

Highlights of Addendum II:

- Caps government support at \$1.4 million.
- Provides HMS the first \$125,000 of operating revenue to offset additional project costs in excess of \$1.4 million (which were not initially considered in response to the RFP).
- Adjusted Ferry schedule to better test commuter and entertainment demands.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Kriseman", with a long horizontal flourish extending to the right.

Rick Kriseman, Mayor