



**PINELLAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Office of Commissioner Janet C. Long**

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**M E M O R A N D U M**

**TO:** The Honorable Board of County Commissioners

**FROM:** Commissioner Janet C. Long, Chair

**SUBJECT:** Capital Projects Funding Recommendations

**DATE:** April 21, 2017

A handwritten signature in black ink that reads "Janet C. Long".

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I am bringing forward the recommendations of the Tourist Development Council (TDC). If there is consensus, I am asking the Board of County Commissioners to provide the Chairman and the County Administrator authority to commence negotiations for items noted below.

On March 22, 2017, during a Special Meeting the TDC convened to announce scores, rank each project and vote on recommended funding. The TDC could not consider funding for the St. Petersburg Shuffleboard Club, or the Morean Arts Center Glass Studio and Hot Shop because these projects did not meet the minimum scoring criteria for funding eligibility.

On April 19, 2017, the TDC reaffirmed its approval of the funding recommendations from the March 22, 2017, meeting (Special Meeting) for the Clearwater Marine Aquarium and for the City of Clearwater's Eddie C. Moore Complex, Countryside Sports Complex and Ruth Eckerd Hall.

Two (2) applications were brought up separately for discussion, the American Craftsman Museum and the City of Dunedin, Florida Auto Exchange Stadium and Training Facilities (Toronto Blue Jays). As to the American Craftsman Museum, a new motion to award two (2) million dollars (NPV) over a period of two (2) years was brought forward, but the motion failed. After further discussion, a second motion was brought forward to award six (6) million dollars (NPV) over a period of three (3) years and that motion also failed. As a result, the Chairman made a determination to uphold the funding recommendation from the Special Meeting and move it forward to the Board of County Commissioners for consideration. As to the City of Dunedin/Toronto Blue Jays, the TDC reaffirmed its approval of the funding from the Special Meeting.

The funding recommendation are maximum amounts. The final amounts will be determined by the Board of County Commissioners as part of the funding agreement related to each project.

Capital Project Funding Program Recommendations (based on the NPV):

<b>Funding Request</b>	<b>Program Description</b>	<b>Notes</b>
\$46,500,000.00	City of Dunedin/Toronto Blue Jays	Payment terms to be negotiated
\$26,000,000.00	Clearwater Marine Aquarium	Payment over three years
\$ 6,000,000.00	American Craftsman Museum	Payment terms to be negotiated
\$ 4,900,000.00	City of Clearwater, Ruth Eckerd Hall	Payment not to exceed six years
\$ 1,937,000.00	City of Clearwater, Countryside Sports Complex	Payment not to exceed three years or lump sum payment
\$495,000.00	City of Clearwater, Eddie C. Moore Complex	Lump sum payment
\$85,832,000.00	Total	

The Capital Funding Program Applications and TDC Scoring Sheets are available upon request. The report from the County's independent consultant is attached for your information.

Attachment: JLL Report

Prepared for:

Visit St Petersburg/Clearwater

*Distributed March 10, 2017*

# Evaluation of Capital Projects Funding Program Submittals

March 3, 2017

Mr. Tim Ramsberger  
Visit St Petersburg/Clearwater  
8200 Bryan Dairy Road, suite 200  
Largo, Florida 33777

We have completed our engagement to assist Pinellas County and Visit St Petersburg/Clearwater ("VSPC") to review, evaluate and recommend the eight capital funding project requests received as part of Pinellas County TDC Capital Projects Funding.

The data included in this report has been extracted from the submissions presented by the applicants and various other primary and secondary sources. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analyses regarding the project are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

We have enjoyed working on this project and our relationship with Pinellas County and VSPC. If you have any questions, please do not hesitate to contact Tom Reifert at (678) 584-0272.

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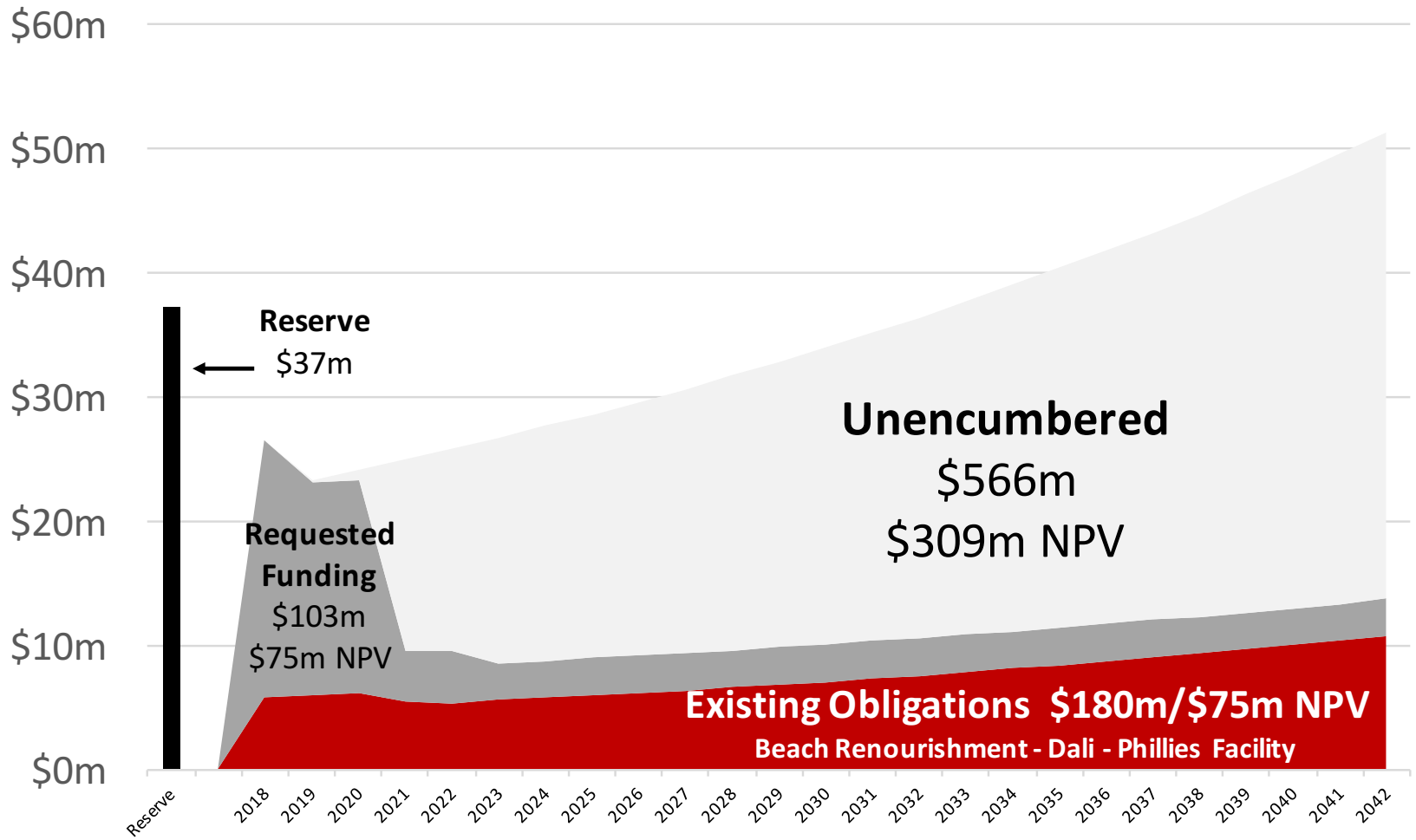
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Name/City	American Craftsman Museum / St. Petersburg	Clearwater ECM Softball Complex / Clearwater	Clearwater Marine Aquarium / Clearwater	Countryside Sports Complex / Clearwater
Project	New craftsman museum	Fields enhancement and broadcast capabilities	Dolphin pool, guest and parking enhancements	Field renovations, press box, restrooms, seating, other amenities
Development Cost	\$70.0m	\$1.2m (including land value)  \$680,000 (excluding land value)	\$53.0 m	\$5.0m (including land value)  \$3.9m (excluding land value)
Funding Request	<ul style="list-style-type: none"> <li>\$4.0m per year for 3 years</li> <li>\$12.0m total</li> <li>\$11.1m NPV</li> </ul>	\$495,000 lump sum reimbursement	<ul style="list-style-type: none"> <li>\$ 9.1m per year for 3 years</li> <li>\$27.2m total</li> <li>\$26.0m NPV</li> </ul>	\$2.5m lump sum
Matching Funds	\$58 million 4.8 X  Source unclear, likely philanthropy	\$737,500 1.5 X (including land)  \$185,000 0.4 X (excluding land)	\$27.1m 1.04 X  Requires sales of land, State grant and bank financing	\$2.5m 1.0 X (including land)  \$1.4m 0.5 X (excluding land)
Shovel Ready	Shovel ready, dependent upon confirmation of matching funding source	The project was completed in 2016	Subject to match funding and completion of design	Subject to match funding and completion of design
Incremental Room night/TDT impact	17,100 RN annually \$149,800	10,000 RN annually \$87,600	63,400 RN annually \$555,400	1,300 RN annually \$11,400
Jurisdiction % of TDT/ Project % of TDT	13.1% / 7.8%	32.7% / 1.0%	32.7% / 17.7%	32.7% / 4.9%
Economic Impact Total/Proj. Increment	\$7.1m/\$7.1m	\$6.2m/NP	\$675m/\$23.6m	\$2.4m/NP

Name/City	Florida Auto Exchange Stadium / Dunedin	Morean Arts Center / St Petersburg	Ruth Eckerd Hall / Clearwater	St Petersburg Shuffleboard Club/ St Petersburg
Project	3,000 new seats, improved fan amenities, training facilities	Relocation of Glass Studio & Hot Shop	250-seat cabaret theater, improved vehicular movement, orchestra shell improvements	Club remodeling
Development Cost	\$81.0m	\$2.3m	\$17.0m	\$11,645
Funding Request	\$3.0m per year for 25 years \$75.4m total \$46.5m NPV	\$500,000 lump sum	\$1.1 m per year for 5 years \$5.5 m total \$4.9m NPV	\$ 5,825 lump sum
Matching Funds	No matching funds required	\$1.8m 3.6 X \$1m committed, State grant and private donations pending	\$11.5m 2.1 X State grant and private donations	\$5,825 1.0 X
Shovel Ready	Pending funding approval and completion of design	Pending funding approval and completion of design	Pending funding approval	Yes
Incremental Room night/TDT impact	4,000 RN annually \$35,700	N/P N/P	10,900 RN annually \$95,200	160 RN annually \$1,400
Jurisdiction % of TDT/ Proj. % of TDT	0.9% / 5.9%	13.1% / 1.0%	32.7% / 2.1%	13.0% / 0.01%
Economic Impact Total/Proj. Increment	\$96.5m/NP	\$36.9m/NP	\$91m/\$5.7m	N/P

# Tourist Development Tax

Capital Project Allocation (40%)



Net present value discounted at 4%.



# The Museum of the American Arts and Crafts Movement St. Petersburg



**PROJECT DESCRIPTION**

The American Craftsman Museum, Inc. (applicant or ACM) is requesting TDT funding for the construction of a five story, 137,000 square foot Museum of the American Arts and Crafts Movement (MAACM) in downtown St. Petersburg. The application states the museum is currently under construction. The primary goal of the museum is to promote an understanding of the American Arts and Crafts movement through the acquisition, conservation, preservation, exhibition and interpretation of the decorative and fine arts associated with this movement. The building will house the world-class collection of art objects of the Two Red Roses Foundation. The museum will also include a children’s education center, an auditorium, a working graphic studio, library, museum store, a café, and destination restaurant.

**FINANCIAL ANALYSIS****Site Ownership**

The project address is 355 4<sup>th</sup> Street North, St. Petersburg, Florida and the application included evidence of ownership by the sponsor. The application indicates the proposed facility will be owned and operated by a not-for-profit organization.

**Development Cost**

The total project budget for the construction of MAACM is \$70 million (\$69,996,324). Gilbane Building Company (GBC)

provided the project budget in the application. GBC is an international construction company with 50 offices worldwide and 1,000 projects currently.

**Funding Request**

The American Craftsman Museum, Inc. is requesting \$4 million for three years, totaling \$12 million. The funding request represents a Category D (capital funding/debt service other) use as defined in the Capital Projects Funding Program Guidelines and requires the applicant to provide matching funding. The proposal meets the test with private funds equating to 4.8 times the request.

**Funding Plan**

It is unclear how the \$58m in non-County funds will be funded. The applicant provided a letter from a Morgan Stanley representative regarding Rudolfo Ciccarello stating his accounts “...are more than sufficient to administer the \$63 million construction budget.” It is unclear what “administer” means. It might be assumed Mr. Ciccarello is donating the funds philanthropically, but the application does not make that definitive statement. In the applicant’s response to clarify the funding question, a letter was provided from Tax Advisory Services LLS indicating “... the ACM has sufficient funds available for the match and the first year construction costs in excess of \$20m in liquid assets.” The applicant states there is no planned debt funding and the applicant’s investment in the project is supported by the more than \$16

million that has been spent in land acquisition, a parking garage and architectural and consultant fees.

### **Operating Proformas**

A ten-year operating proforma was provided. The proforma assumed 150,000 in attendance in the first year and 40 full-time staff. Revenue in the first year is expected to be \$6.2 million increasing three percent per year to \$7.7 million in year 10. Expenses are estimated at \$6 million in year one increasing to \$6.6 in year 10. Net income is estimated to be \$249,000 in year one increasing to \$1 million by year 10.

The feasibility and economic impact analysis included in the application did not include comparable operating proformas to support the projections.

### **Business Plan**

A business plan was provided and states that the mission of MAACM is to promote an understanding of the American Arts and Crafts movement and the works of art produced between 1900 and 1930 through the acquisition, conservation, preservation, exhibition, and interpretation of the decorative and fine arts. The plan further states that the presence of the museum in Pinellas County will make a significant and lasting impact on the local community and will reinforce the area as an appealing tourist destination. The plan also discusses curatorial roles and responsibilities, education roles and responsibilities, and staffing structures. The museum will be owned and operated as a 501(c)(3) non-profit.

### **FACILITY PLAN**

#### **Architectural Drawing and Plans**

Construction documents and project renderings were included in the submittal provided by Alfonso Architects.

#### **Shovel Ready**

The applicant states that the Museum of the American Arts and Crafts Movement is currently under construction and the parking garage construction is complete. The project appears to be shovel ready dependent upon confirmation of the source of matching funds.

### **ECONOMIC IMPACT**

#### **Feasibility Study**

The feasibility analysis was originally completed by Mr. Wayne Atherholt as an independent consultant to MAACM. Mr. Atherholt now works for the City of St. Petersburg in the Office of Cultural Affairs and was a past Director of the Dali, Chihuly Collection, Morean Arts Center and other cultural venues.

Lambert Advisory reviewed the feasibility study to determine if the analysis fairly reflected the performance projections. Based on a cursory review of their qualifications listed on their website, Lambert Advisory has experience completing feasibility and economic impact analyses for both public and private clients, although a museum was not listed among their clients.

The feasibility study financial projections assume a stabilized attendance of 150,000, which is similar to that realized at the Morean/Chihuly Complex and St. Petersburg Museum of Fine Arts.

**Room Night Impact**

Lambert estimates that the annual room night demand related to the MAACM would be 17,100 room nights. Lambert utilized information received from the Dali Museum related to percent of visitors that came from out of the area as a benchmark for the MAACM estimates. Dali assumes 50% of all visitors are from out of the area and Lambert assumes 40%, which is reasonable. The percent of overnight visitors utilizing hotels obtained from Visit St. Petersburg Clearwater (VSPC) and average number of people per room appears to be estimated by Lambert. The room night impact was calculated as follows:

Total Visitors	150,000
x Percent Overnight	40%
= Overnight Visitors	60,000
x Percent Staying in Hotel	57%
= Visitor Demand	34,200
x Average Persons per Room	2
= Annual Room Night Demand	17,100

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when

considering funding requests. The following summarizes the applicants funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the new facility. As a way of comparing estimated TDT collections of the various applicants, the 2016 St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Annual Incremental Room Nights	17,100
ADR	\$146
Annual TDT Collections	\$149,800
Annual Funding Request (3 years)	\$4,000,000
Total Funding Request	\$12m

**Tourism Development Tax**

According to the Pinellas County Tax Collector, the City of St. Petersburg represented approximately 13.1% of the total Tourism Development Tax collected in the County in calendar year 2016. The applicant’s \$4,000,000 annual funding request for three years would represent 7.8% of the 2016 collections annually for three years.

**Economic Impact**

Lambert estimated the facility would generate \$7.1 million in economic impact annually, with \$3.3 million in direct spending and \$3.8m in indirect and induced spending. The direct spending equates to \$194 per room night or \$22 per

attendee, both of which are reasonable. These impacts are incremental since the facility doesn't exist.

### Marketing/Media

The application states the marketing budget is estimated to be \$614,000, of which 80% or \$491,000 will be targeted for in-state and out-of-state tourists. Marketing dollars are to be used to advertise in national travel and tourist markets in print, social media, radio and television campaign. Specifically mentioned print coverage in New York Times, San Francisco Chronicle, Washington Times and internet coverage on Travel Industry Today.

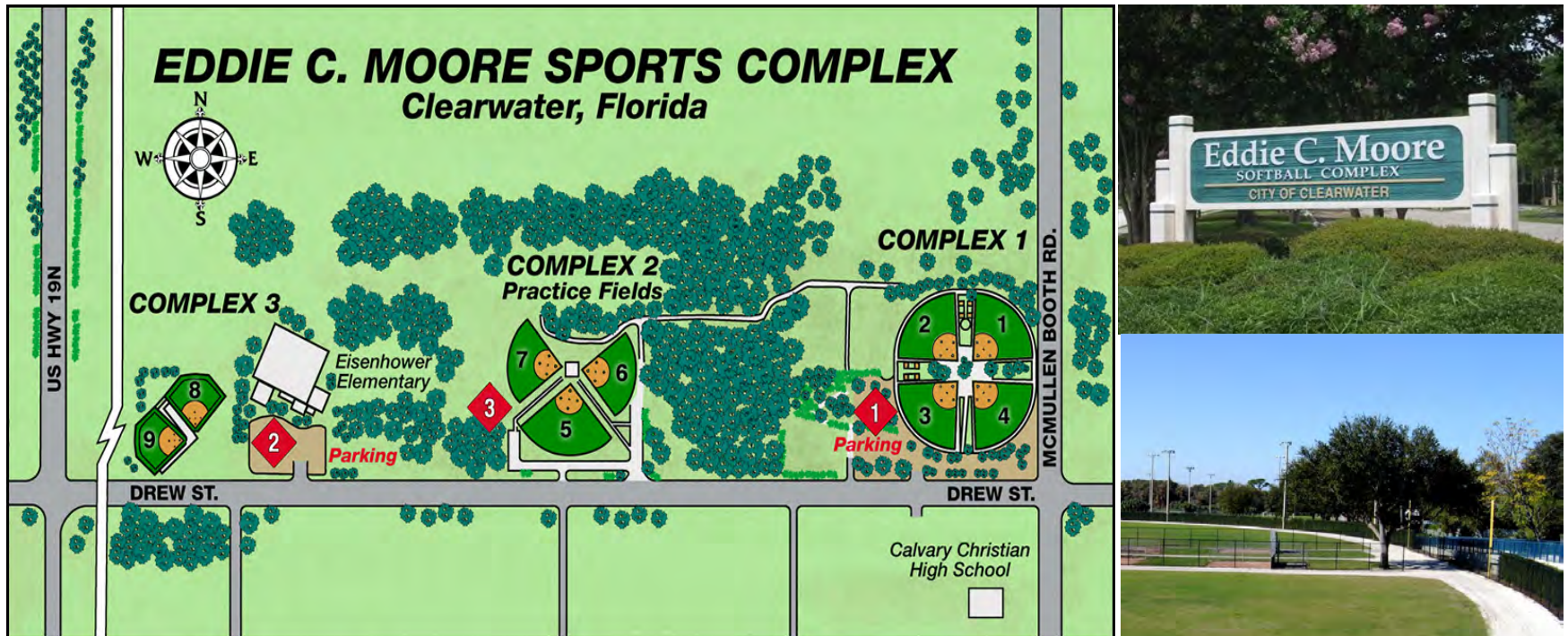
### Duplication of Facilities

The applicant states that the museum and the collection will be the only one of its kind in the country. Although the county offers additional museums, the facility is not viewed as duplication of other area museums, but rather adding to the arts and cultural offerings for visitors.

### Summary

- The facility is owned by American Craftsman Museum, Inc.
- Development cost is estimated to total \$69,996,324
- Funding request is \$12 million over three years or \$4 million per year; \$11.1 million NPV
- Applicant states the Museum of the American Arts and Crafts Movement is currently under construction and the parking garage construction is complete
- Applicant estimated incremental 17,100 room nights would be produced annually
- City of St. Petersburg represented 13.1% of County's total TDT collections in 2016; \$4 million annual ask represents 7.8% of 2016 collections
- Annual media value was not provided; application indicates marketing budget of \$614,000
- Lambert estimated facility would generate \$7.1 million in total economic impact
- Not viewed as duplication of other area museums, but rather adding to the arts and cultural offerings for visitors.

# Eddie C. Moore Softball Complex City of Clearwater



### **PROJECT DESCRIPTION**

The City of Clearwater is requesting TDT funding for the reimbursement of costs associated with recent improvements to the support buildings for fields 8 and 9 of the Eddie C. Moore Softball Complex (ECMSC). The goal of the project was to improve the facilities at fields 8 and 9 to include full broadcast amenities that would increase the City's ability to attract more high profile events thus adding economic impact. In addition, the improvements will enable ECMSC to broadcast collegiate and professional games, and it will also be able to televise and/or live stream youth games which is often required for national and international events. The project is complete and certificate of occupancy was issued February, 2016.

### **FINANCIAL ANALYSIS**

#### **Site Ownership**

The City of Clearwater owns the land and facilities and submitted the Warranty Deed with legal description of the property.

#### **Development Cost**

The project is complete and the applicant desires reimbursement for a portion of the project costs. The applicant stated the project budget totaled \$1,232,500, which includes \$680,000 in project costs and \$552,500 in land value. The applicant provided a property tax assessor's report

indicating the total value of the land to be \$650,000. It is unclear why the report differs for the applicant's summary.

A City of Clearwater Project Summary Report was included in the application showing the City's budget for the EC Moore fields 8/9 and Press Box totaling \$680,000, which matches the submitted budget less the land value.

#### **Funding Request**

The applicant is requesting Pinellas County reimburse the City in a lump sum payment of \$495,000. The project was completed in 2016 using city cash resources in the amount allocated through the City of Clearwater Capital Improvement Program and General Fund Revenues. The funding request represents a Category D (capital funding/debt service other) use as defined in the Capital Projects Funding Program Guidelines and requires the applicant to provide matching funding. Assuming land value (\$552,500) is an acceptable source for "matching funding", the City match is 1.5 times the request. If land value is not an acceptable match, the City match is 0.4 times the request and does not meet the test. The maximum TDT funding would be \$340,000 if the land is not included in the match.

#### **Funding Plan**

The project was completed in 2016 using City resources allocated through the City of Clearwater Capital Improvement Program and General Fund.

## Operating Proformas

A ten-year financial forecast was provided as part of the feasibility study performed by Sports Facility Advisory (SFA). The analysis was completed in 2015. Based in Clearwater, SFA states they have experience providing sports facility advisory services and sports facility management services for projects totaling over \$4 billion.

SFA projected operating revenues to range from \$390,000 in 2015-16 to \$494,000 in 2024-2025. The operating and facility expenses were projected to range from \$552,600 in 2015-16 to \$687,784 in 2024-25. The facility's projected operating deficit was to range from \$162,350 in 2015-16 to \$194,149 in 2024-25. The applicant stated operating deficits are funded by the City's general fund. The analysis stated the goal would be to replace low profile tournaments with high profile tournaments, which will grow the economic impact of the facility.

## Business Plan

A business plan was included for the City of Clearwater Parks and Recreation, Athletic Section for ECMSC. One of the goals specified is to develop a nationally recognized sports tourism program that associates Clearwater as a championship destination, while maximizing the economic impact for the local hospitality industry. In addition, the City Council put forth a Tourism Strategic Plan with a primary focus on areas of competitive advantage including: softball, baseball, soccer, sailing/water sports, swimming and lacrosse. The City plans

to support these goals by continuing to improve facilities, explore new sports tourism revenue streams and expand on partnerships with national organizations such as USA Softball, NFCA, WBSC and others.

The Athletic section of the City Parks and Recreation Department has \$633,992 in budgeted revenue for 2016-17. Expenses are budgeted at \$594,000.

Financial stability was not specifically addressed; however, the business plan stated the City Parks and Recreation department represents \$25.6 million of the total \$131.6 million City 2016-17 budget.

## FACILITY PLAN

### Architectural Drawing and Plans

Detailed project drawings from McCarthy and Associates were included in the submittal. As previously mentioned, the project is complete.

### Shovel Ready

The project is complete and the certificate of occupancy was issued February, 2016.

## ECONOMIC IMPACT

### Feasibility Study

The feasibility and economic impact study was completed by Sports Facility Advisory (SFA). The feasibility study was completed in 2015 prior to the improvements to the facility.



The feasibility study and economic impact analysis was completed for the entire complex including all nine fields, not just the improvements to the two championship fields (8 and 9) associated with this funding request.

SFA stated that he proposed enhancements would increase the opportunity for Clearwater to host high profile events that lead to increased room nights and economic impact. SFA stated they reviewed historical data, analyzed population, socio-economics and sports participation trends in the local and regional market area to assist in the facility projections. In summary, the study assumes similar numbers of events (although higher profile events), growth in non-local visitors and annual operating deficits to range from \$160,000-\$195,000.

The feasibility study does not provide historical data, however the introduction letter states that in 2012-13 and 2013-14 ECMSC generated 445,000 visits to the complex and 40,000 "non-local days" in the Clearwater market. SFA projected non-local days to increase and range from 43,000 to 64,000. Historical financial, number of events, and attendance figures were not provided as a comparison to the projections, nor was there support to how non-local event days were calculated. The analysis did not provide historical operating statistics or comparable facility examples.

**Room Night Impact**

The application projects the enhanced complex will generate 23,250 room nights one year after project completion. SFA's

feasibility study does not provide historical room night data, however, the introduction letter states that in "most years" ECMSC brings 12,000 to 14,000 room nights to the area, and in years when a national or international championship is hosted, the number increases to 17,000 to 18,000 room nights. Assuming the midpoint of a typical year or 13,000 room nights, the enhancements are projected to increase room night impact by 10,000. Data was not provided to support this increase other than their business plan outlining the ability to attract "higher profile events".

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when considering funding requests. The following summarizes the applicants funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the renovated and expanded facility. As a way of comparing estimated TDT collections of the various applicants, the 2016 St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Annual Incremental Room Nights	10,000
ADR	\$146
Annual TDT Collections (6%)	\$87,600
Total Funding Request	\$495,000

**Tourism Development Tax**

According to the Pinellas County Tax Collector, the City of Clearwater represented approximately 32.7% of the total Tourism Development Tax collected in the County in calendar

year 2016. The applicants \$495,000 annual funding request would represent 1.0% of the 2016 collections.

### Economic Impact

The economic impact projected for the facility is presented as total direct spending resulting from events at the complex. For example, the SFA analysis assumes spending by non-local attendees to be \$143 for all hosted events. In the first operating year, economic impact projections are as follows:

	Non-Local Days	Average Spend	Total Impact
Tournaments/Events	43,420	\$143	\$6,209,060

The applicant did not provide information on how the non-local days were derived. The applicant stated the average spending amounts are combinations of estimates received from the County, State and Florida Sports Foundation. The amounts appear reasonable. Further, the analysis delineates total spending into lodging spending totaling \$1,101,720 and non-lodging spending totaling \$5,107,340. The hotel average rate assumed for spending on lodging was not stated in the study.

SFA estimated tax impacts that included lodging and sales taxes. Taxes on lodging included both state and local taxes (12%) and taxes on sales included the 1% county option tax. Utilizing the lodging spending calculated by SFA, TDT collections would total \$66,100 in the first operating year.

Indirect and induced impacts utilizing a multiplier model such as IMPLAN was not used to calculate additional annual

spending from an improved facility. Incremental impacts were not provided.

### Marketing/Media

SFA estimated the marketing budget for the ECMSC to be \$155,000 in 2015/2016 and is projected to range from \$172,000 to \$229,000 over the projection period. There is no discussion in the applicant's submittal of any increases to current levels of out-of-market advertising or promotion of the County except the business plan goal of building relationships with national and international sports organizations to attract tournaments.

A cursory inspection of several softball tournament sites such as the University of South Florida Series did indicate that the individual tournament sites promote the destination.

### Duplication of Facilities

The City of Clearwater does have several sports facilities with softball fields. The recently renovated Sid Licton Field has five baseball and two softball fields and can host amateur events. The City states that their plan is to move some of the local and smaller tournaments to Sid Licton Field to make room for more tournaments at ECMSC. The Jack Russell Stadium and the Countryside Sports Complex also has baseball and softball fields. However, none of these facilities offer the same tournament quality fields and amenities as ECMSC.

### Summary

- The City of Clearwater owns the land and facilities

- Development is complete and costs totaled \$1,232,500, including \$680,000 in project costs and \$552,500 in land value
- Funding request is \$495,000 lump sum reimbursement;
  - If land value is acceptable source for “matching funding”, the City match is 1.5 times the request
  - If land value is not an acceptable source, the City match is 0.4 times the request and does not meet the test
- Shovel ready does not apply; completed project
- SFA estimated 10,000 incremental room nights; equates to \$87,600 TDT collections annually assuming \$146 St. Petersburg/Clearwater market ADR
- City of Clearwater represented 32.7% of County’s total TDT collections in 2016; \$495,000 ask represents 1.0% of 2016 collections
- Annual media value was not supplied; SFA estimated marketing budget to be \$155,000 in 2015/2016 and is projected to range from \$172,000 to \$229,000 over the projection period
- SFA estimated direct annual economic impact to be \$6.2 million
- Clearwater has several sports facilities with softball fields; however, none of these facilities offer the same tournament quality fields and amenities as ECM

# Clearwater Marine Aquarium Clearwater, FL



**PROJECT DESCRIPTION**

The Clearwater Marine Aquarium (applicant or “CMA”) is requesting TDT funding for improvements to the current facilities and new construction to accommodate new dolphin pools, additional guest space and new parking spaces. The project includes five new dolphin pools, 102,000 square feet of additional guest space in new buildings, elevated deck and ground floor viewing areas and a 376-space parking garage. In addition to improving guest access to the facility, the project will allow for an improved animal care area, increased guest capacity and additional exhibits.

**FINANCIAL ANALYSIS**

**Site Ownership**

The Clearwater Aquarium is owned by Clearwater Marine Aquarium Inc., which is a not for profit organization.

**Development Cost**

Total project cost with contingency was estimated at \$53,086,000. CMA stated the Phases I-IV construction budget was completed by John Ragan Cube Investments and the Phase V budget was completed internally. The drawings were done by Inside Out Group, an architectural firm based in Dunedin. In the company’s website, projects listed mostly residential or commercial. Development cost estimates are summarized as follows:

Parking Garage	\$13.5m
New buildings	<u>39.5m</u>
Total	<u>\$53.0m</u>

**Funding Request**

Since the submittal date, the applicant has clarified their funding request. The original submittal requested Pinellas County fund \$26.0 million (cash value/net present value) of the development and did not indicate how the amount was to be funded. The clarified request is for \$9.051 million per year for three years, totaling approximately \$27.2 million.

The Pinellas County funding request represents a Category D (capital funding/debt service other) use as defined in the Capital Projects Funding Program Guidelines and requires matching funds. The proposal meets the requirement, providing \$26m in public funds and \$27m in other funding.

**Funding Plan**

The project is proposed to be funded as follows:

	Project Cost
Pinellas County TDT	\$26.0m
Internal Reserves	7.0m
Sale of Land (net of debt)	3.0m
State of Florida Grant	2.0m
BB&T Garage Debt	10.7m
Additional Bank Financing	4.4m
	<u>\$53.1m</u>

No details were provided regarding the status of the sale of land or State of Florida Grant. The application states the CMA will pledge revenues to secure the additional bank debt once the TDC funds are committed.

### **Operating Proformas**

The applicant provided a 10-year financial forecast, operational costs, facility expenses, miscellaneous costs, projected events and increases in governmental revenues through taxes as required in the application. The proforma was prepared with input from both CMA and ConsultEcon, Inc., who prepared the feasibility analysis. Due to the enhancements, attendance is projected to increase from 650,000 in 2016 to an average after the enhancement of 745,000, a 14.6% increase. Historically, CMA attendance has been impacted by the aquariums affiliation with movie releases and reached 792,000 in 2015 after release of the second Dolphin Tale movie. Earned revenues per attendee are projected to grow by an average of 4% annually. These estimates appear reasonable.

The CMA estimates contributed revenues (grants, fundraising, donations, etc.) to more than double from 2016 amounts and total approximately \$4.9m in 2022. The CMA's plan to enhance these revenues is not detailed in the submittal.

Operating expenses are projected to increase by an annual average of 5.0% from 2016 to 2022.

Net operating income is projected to increase from \$3.2m in 2016 to \$6.8m in 2022.

### **Business Plan**

A business plan was submitted and provides a plan to maximize future success by maintaining its brand and mission awareness with an aggressive digital media platform, an earned media campaign, a self-produced web series, and potentially a television series.

### **FACILITY PLAN**

#### **Architectural Drawing and Plans**

Preliminary drawings and renderings were provided by Inside Out Group.

#### **Shovel Ready**

Shovel ready certification was not provided. The applicant stated the project is in the preliminary drawing stage, with a projected completion in 2020. Upon commitment of all funding elements, the project would require the completion of engineering and architectural drawings, plans and specifications, a competitive bid process and permitting, to make the project "shovel ready".

### **ECONOMIC IMPACT**

#### **Feasibility Study**

A feasibility study was completed by ConsultEcon, Inc. based in Cambridge, MA. The company has experience in market and feasibility studies for non-profit organizations, public agencies and private business, including several aquariums.

The analysis indicates that the improvements in physical capacity and quality experience create an opportunity to sustain higher annual attendance and higher per capita expenditure. The study indicated, the projected attendance after completion of the enhancements is estimated to range from 649,000 to 810,000 with a mid-range estimate of 730,000 per year. Comparable attendance was provided for nine aquariums, which indicated that current attendance generated by CMA of 766,000 ranks near the top. As a reference, the Florida Aquarium in Tampa, attracted 698,000 attendees.

As previously stated, the proforma estimates appear reasonable.

**Room Night Impact**

Room night impact was presented in two economic impact studies conducted by Tourism Economics. Tourism Economics is a global firm that assists clients with assessing tourism and economic impacts of their assets.

The first study assessed CMA’s historical impact and the Second assessed the incremental impact. The following table summarizes the room night impact as reported by Tourism Economics:

	Primary*	Other	Total
	72.7%	27.3%	
Existing	399,900	150,100	550,000
Incremental	63,400	23,900	87,300
Enhanced	463,300	174,000	637,300

*\* Non-local patrons who primarily came to visit the CMA.*

The applicant stated that room nights were estimated based in part on survey data collected from actual CMA patrons. The Tourism Economics study did not provide any benchmark room night data from comparable facilities. A cursory review of various annual reports and economic impact studies in Chattanooga, Baltimore, Monterey and Chicago indicate annual room night impact ranging from 95,000 to 210,000, materially less than the 637,300 projected for the CMA based on their surveys. CMA’s impacts could be greater due to its affiliation with motion pictures as well as the areas overall tourism attractiveness.

The projected 15.9% increase in room nights is similar to the 14.6% increase in attendance projected by ConsultEcon. For purposes of assessing incremental room nights associated with this project, it is recommended to utilize only those 63,400 incremental room nights driven by non-local patrons who primarily came to visit the CMA. The “other” room nights are from patrons who are in the area for other reasons and attended the CMA as one of their activities. If the CMA was not present, these guests would find other activities.

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when considering funding requests. The following summarizes the applicants funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the renovated and expanded facility. As a way of comparing estimated TDT collections of the various applicants, the 2016 St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Annual Incremental Room Nights	63,400
ADR	\$146
Annual TDT Collections (6%)	\$555,400
Annual Funding Request (3 years)	\$9.1m
NPV/Total	\$26m/\$27.051m

### Tourism Development Tax

According to the Pinellas County Tax Collector, the City of Clearwater represented approximately 32.7% of the total Tourism Development Tax collected in the County in calendar year (change to fiscal) 2016. The applicant’s \$9.1 million annual funding request would represent 17.7% of the 2016 collections annually for three years.

### Economic Impact

Tourism Economics estimates the historical average annual economic impact of the CMA from 2012-2015 is as follows:

<b>Direct Spending</b>	
Facility Revenues	\$21.5m
Direct Spending	
Primary CMA	273.1m
Other	102.5m
Day Trip	13.1m
Total Direct	410.2m
<b>Indirect/Induced</b>	264.5m
<b>Total Impact</b>	\$674.7m

Primary CMA refers to the impact from non-local patrons who primarily came to visit the CMA. Other impacts are from patrons who are in the area for other reasons and attended the CMA as one of their activities.

The study utilizes the Visitor Profile published by Pinellas County Tourist Development Council and Visit St. Petersburg/Clearwater which assumes \$771 spending per person. The study also assumes visitors on average stay 5.8 days and the average party size is 2.8 people. This equates to an average visitor to room night ratio of 1 visitor to 2.07 room nights (5.8 days / 2.8 per room) and therefore \$372 (\$771 / 2.07) in spending per room night.

There is a disconnect with the economic impact visitor-room night ratio used for the economic impact calculation and that presented by Tourism Economics in their room night impact projection. Tourism Economics estimates that the enhanced CMA will host 625,600 overnight visitors on average, and generate 637,300 room nights, or a ratio of 1 visitor to 1.02 room nights.



For purposes of assessing incremental economic impact for the proposed enhancements, we recommend multiplying the 63,400 incremental room nights driven by non-local patrons who primarily came to visit the CMA by the \$372 spending per room night. This equates to incremental direct spending of \$23.6 million.

### Marketing/Media

The study did not provide the expected value of the media exposure that the expanded CMA could have; however, the business plan discusses CMA's media brand building. CMA maintains awareness of its mission and its brand through earned media, books, movies, documentaries, digital media, and Rescue-Clearwater web series. In addition, in the proforma, advertising and media expenses are projected to range from \$2-\$2.7 million annually.

### Duplication of Facilities

The CMA is the only aquarium in Pinellas County and therefore there is no duplication of facilities. There are two other aquariums in the area, the Florida Aquarium in downtown Tampa and the Mote Marine Laboratory and Aquarium in Sarasota.

### Summary

- Clearwater Marine Aquarium is owned by Clearwater Marine Aquarium Inc., which is a not for profit organization
- Development costs estimated to be 53,086,000

- Funding request is for \$9.051 million per year for three years, totaling approximately \$27.2 million; \$26 million NPV
- No details were provided regarding the status of the sale of land or State of Florida Grant
- CMA will pledge revenues to secure the additional bank debt once the TDC funds are committed
- Operating proforma was supplied
- Project is not yet shovel ready; stated in preliminary drawing stage, estimated completion 2020
- Tourism Economic estimated 63,400 incremental room nights by non-local patrons who primarily came to visit the CMA; equates to \$555,400 TDT collections annually assuming \$146 St. Petersburg/Clearwater market ADR
- City of Clearwater represented 32.7% of County's total TDT collections in 2016; \$9.1 million annual ask represents 17.7% of 2016 collections
- CMA did not provide the expected value of the media exposure that the expanded CMA; proforma showed advertising and media expenses are projected to range from \$2-\$2.7 million annually
- Annual direct economic impacts driven by non-local patrons are estimated to be \$23.6 million
- CMA is the only aquarium in Pinellas County and therefore there is no duplication of facilities

## Countryside Sports Complex City of Clearwater



### **PROJECT DESCRIPTION**

The City of Clearwater is requesting TDT funding for improvements to the Countryside Sports Complex (CSC) to include renovation of existing facilities and construction of new facilities. The complex currently consists of four multipurpose fields and accessory buildings that were separately constructed over the past 30 years. To accommodate present and future uses the requested funds will provide for:

- New restroom/storage/concession building
- New press box building and meeting facility
- Field renovations to improve drainage
- Additional elevated bleachers to accommodate 1,000 people
- Improved parking facilities and park amenities
- Renovated fields

The application states that the renovations are key to attracting Major League Soccer (MLS) teams for spring training such as DC United as well as lacrosse spring training and tournaments.

### **FINANCIAL ANALYSIS**

#### **Site Ownership**

The City of Clearwater owns the land and facilities, and submitted the Warranty Deed with the legal description of the property.

### **Development Cost**

Total project cost is estimated as \$5,051,500, which includes \$1,176,100 in land value. Documentation supporting the land value was not provided. The applicant stated the City's project staff estimated the project budget.

### **Funding Request**

The applicant is requesting a lump sum of \$2,525,750. The funding request represents a Category D (capital funding/debt service other) use as defined in the Capital Projects Funding Program Guidelines and requires the applicant to provide matching funding. Assuming land value is an acceptable source for "matching funding", the City match is 1.0 times the request. If land value is not an acceptable match, the City match is 0.5 times the request and does not meet the test. The maximum TDT funding would be \$1,937,700 if the land is not included in the match.

### Funding Plan

The following funding plan was included in the application:

City of Clearwater	
Land Value	\$1,176,100
Existing CIP Balance ( <i>app rounding diff.</i> )	699,650
FL. Recreation Devl. Assistance Grant	100,000
State of Florida Earmark	<u>550,000</u>
Total City of Clearwater Match	2,525,750
Pinellas County	<u>2,525,750</u>
Total	<u>\$5,051,500</u>

The applicant stated the City has accepted the Florida Recreation Development Grant and the State of Florida Earmark request is currently in both House and Senate committees. Additionally, the applicant stated the project was recently presented to the Senate Subcommittee on Transportation, Tourist and Economic Development.

### Operating Proformas

A ten-year financial forecast was provided as part of the feasibility study performed by Sports Facility Advisory (SFA). Based in Clearwater, SFA states they have experience providing sports facility advisory services and sports facility management services for projects totaling over \$4 billion.

SFA projected operating revenues to average from \$30,500 in 2017-18 to \$37,000 in 2026-2027. Operating expenses are

projected to range from \$481,000 in 2017-18 to \$549,800 in 2026-27, equating to a deficit ranging from \$450,500 in 2017-18 to \$512,800 in 2026-27. The applicant stated the operating deficit is funded by the City’s general fund.

The financial forecast assumes one MLS team uses the facility for spring training and SFA states that potential recruitment and retention of a second MLS team could create additional economic opportunity.

### Business Plan

A business plan was provided in the application, outlining missions, goals, staffing, programming, financial, strengths/opportunities/weaknesses and long-term plans. A goal listed is to develop a nationally recognized sports tourism program that associates Clearwater as a championship destination, while maximizing the economic impact for the local hospitality industry. The overall department strategic plan identified six sports as targets for sports tourism. The CSC is key in the execution of strategies for two sports: soccer and lacrosse.

Financial stability was not specifically addressed; however, the City Parks and Recreation department represents \$25.6 million of the total \$131.6 million City 2016-17 budget.

**FACILITY PLAN**

**Architectural Drawing and Plans**

A drawing of the proposed field layout was included. Building drawings and renderings were not included in the submittal. The application states that the conceptual designs are complete.

**Shovel Ready**

The project will be constructed on property already owned by the City of Clearwater and the conceptual designs are complete. The project can be considered shovel ready, pending completed design, permitting, confirmation of the State grant and earmark, representing 48% of the non-land matching funds. The schedule outlined in the application is as follows:

Design and Engineering	May 2017 to October 2017
Permitting	November 2017
Bid Process	December 2017 to February 2018
Award contract	March 2018
Construction	April 2018 to March 2019

**ECONOMIC IMPACT**

**Feasibility Study**

The feasibility and economic impact study was completed in January, 2017 by Sports Facility Advisory (SFA).

SFA stated they reviewed historical data, analyzed population, socio-economics and sports participation trends in the local and regional market area to assist in the facility projections. In summary, the analysis assumes similar operating deficits as in recent years. The study did not provide historical operating statistics or comparable facility examples.

**Room Night Impact**

The SFA analysis reports the complex will generate 4,200 room nights in fiscal year 2018, increasing to 5,500 five years after the complex improvements are complete. This is an increase of 1,300 room nights. These estimates appear reasonable.

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when considering funding requests. The following summarizes the applicants funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the renovated and expanded facility. As a way of comparing estimated TDT collections of the various applicants, the 2016 St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Annual Incremental Room Nights	1,300
ADR	\$146
Annual TDT Collections (6%)	\$11,400
Total Funding Request	\$2,525,750

### Tourism Development Tax

According to the Pinellas County Tax Collector, the City of Clearwater represented approximately 32.7% of the total Tourism Development Tax collected in the County in calendar year 2016. The applicants \$2.5 million annual funding request would represent 4.9% of the 2016 collections.

### Economic Impact

The economic impact projected for CSC is presented as total direct spending resulting from events at the complex. For example, the SFA analysis assumes spending by non-local attendees at two different daily expenditure amounts. SFA assumes a \$143 average daily expenditure for all tournaments and events that are not affiliated with MLS or a \$240 average daily expenditure for MLS-related events. In the first operating year, economic impact projections are as follows:

	Non-Local Days	Average Spend	Total Impact
Tournaments/Events	14,315	\$143	\$2,046,876
MLS	<u>1,380</u>	\$240	<u>\$331,200</u>
Total	<u>15,695</u>		<u>\$2,378,076</u>

The applicant stated the average spending amounts are combinations of estimates received from the County, State and Florida Sports Foundation. The amounts appear reasonable. Further, the analysis delineates total spending

into lodging spending totaling \$441,615 and non-lodging spending totaling \$1,936,461.

The hotel average rate assumed for spending on lodging was not stated in the study, however, utilizing the aforementioned projected room nights and estimated lodging spending yields a \$105 average rate.

SFA estimated tax impacts that included lodging and sales taxes. Taxes on lodging included both state and local taxes (12%) and taxes on sales included the 1% county option tax. Utilizing the lodging spending calculated by SFA, TDT collections would total \$26,500 in the first operating year.

Indirect and induced impacts utilizing a multiplier model such as IMPLAN was not used to calculate additional annual spending from an improved facility.

### Marketing/Media

The applicant stated the City of Clearwater spends \$30,000 annually on marketing and the sports tourism based events hosted at the CSC spend an additional \$32,000. The applicant further states a total impression value of \$816,000. The applicant did not define how this was calculated.

The applicant states that the City of Clearwater’s goal is to recruit 4 to 8 MLS teams for pre-season training and tournaments. The City hopes to execute agreements similar to the one it has with the Philadelphia Union that extends to 2023, if all options are renewed. Should this occur, the City

anticipates a marketing spend of \$100,000 to \$150,000 annually.

### Duplication of Facilities

There are many sports complexes with soccer and lacrosse fields in the City of Clearwater and Pinellas County. However, there are only two other facilities that can host a Major League Soccer team for spring training and tournaments. In the City of Clearwater, the Joe DiMaggio Sports complex hosts the Philadelphia Union and in the City of St. Petersburg, Al Lang Stadium is home to the Tampa Bay Rowdies.

### Summary

- The City of Clearwater owns the land and facilities
- Development cost is estimated to total \$5,051,500, including \$1,176,100 in land value
- Funding request is a lump sum of \$2,525,750;
  - If land value is acceptable source for “matching funding”, the City match is 1.0 times the request
  - If land value is not an acceptable source, the City match is 0.5 times the request and does not meet the test
- Project considered shovel ready pending completed design, permitting, confirmation of the State grant and earmark, representing 48% of the non-land matching funds
- SFA estimated 1,300 incremental room nights; equates to \$11,400 TDT collections annually assuming \$146 St. Petersburg/Clearwater market ADR
- City of Clearwater represented 32.7% of County’s total TDT collections in 2016; \$2,525,700 ask represents 4.9% of 2016 collections
- Annual media value was not provided
  - Applicant stated City spends \$30,000 annually on marketing
  - Applicant stated sports tourism events at the CSC spend additional \$32,000
  - Applicant stated total impression value of \$816,000
- SFA estimated direct annual economic impact to be \$2.4 million in first year
- The City and County have several sports complexes with soccer and lacrosse fields; two facilities host a Major League Soccer team

# Florida Auto Exchange Stadium City of Dunedin





**PROJECT DESCRIPTION**

The City of Dunedin (applicant) is requesting TDT funding for the redesign and renovation of the Florida Auto Exchange Stadium and training facilities. The goals and plans for the redesign and renovated facility include increasing capacity from 5,500 to 8,500, introducing more shaded viewing areas, alternative seating/standing areas, and improving fan amenities, such as building entry, circulation, merchandise and food concession locations. Additional plans include adding to the training facilities housed at the Bobby Mattick Training Center at Englebert Complex, to include additional baseball fields and outdoor amenities (on City-owned land) and constructing a new, larger training building to allow all training to be held on-site.

**FINANCIAL ANALYSIS**

**Site Ownership**

The City of Dunedin owns the land and facilities and submitted the Master/Warranty Deed for both the Florida Auto Exchange Stadium site and the Englebert Complex. The City licenses the facilities to the Blue Jays and the most recent license agreement, which was included, appears to expire in 2017. The submittal indicated that at the time of submittal, the City and Blue Jays were working toward the development of a new use agreement with a goal to be able to confirm finalization of the agreement upon confirmation of the funding.

**Development Cost**

Development costs were estimated by Populous and Manhattan Construction and total \$81,044,191. Populous is an architecture and design firm and has been involved in numerous ballpark projects. Manhattan’s website states that they have constructed more than five million square feet of stadium facilities. Development cost estimates are summarized as follows:

Stadium Renovation/Expansion	\$33.2m
Training, Offices, Fields, Facilities	<u>47.8m</u>
Total	<u>\$81.0m</u>

**Funding Request**

The applicant is requesting Pinellas County fund \$46.5 million (cash value/net present value) of the development. The applicant proposes the amount to be funded by one upfront payment or through the issuance of debt repaid by TDT over a 25-year period. The debt payment is estimated to be \$3,015,000 annually. Over 25 years, payments would total \$75,375,000.

The Pinellas County funding request represents a Category E (debt service/professional sports and convention center capital costs) use as defined in the Capital Projects Funding Program Guidelines and does not require matching funds.

**Funding Plan**

The project is proposed to be funded as follows:

	Project Cost	Annual Request	Term in Years	Total Payments
Pinellas County	\$46.5m	\$3,015,000	25	\$75.4m
Toronto Blue Jays	15.2m	\$1,000,000	25	25.0m
State of Florida	13.7m	\$1,000,000	20	20.0m
City of Dunedin	5.6m	\$373,100	25	9.3m
	<u>\$81.0m</u>			<u>\$129.7m</u>

In addition to the Pinellas County funding, the Toronto Blue Jays propose to fund \$1m annually for 25 years. The application also indicated the City of Dunedin intends to use a one-cent infrastructure sales tax (“Penny for Pinellas”) for its contribution and further states that the City has not determined if their contribution will be in the form of a cash contribution or debt financing. It is understood that the one-cent infrastructure sales tax “Penny for Pinellas” sunsets in 2020, more than 20 years prior to the assumed length of time the tax is utilized for bond payments. Should the City use the Penny for Pinellas tax stream for debt payments, the tax would be required to be extended at least through the duration of the bonds or the City of Dunedin would need to utilize an alternative funding source. The applicant further states that once funding agreements between the City and County and the City and Blue Jays have been reached, the project plans to seek certification by the State Department of Economic Opportunity to receive state funding in the form of state sales tax revenues as allowed by state statutes.

The City of Dunedin contracted with Public Resources Advisory Group (PRAG) to complete the preliminary debt analysis and estimated annual installment analysis. PRAG is an independent financial and investment advisory firm, headquartered in New York City, with offices in Los Angeles, Oakland, Philadelphia and St. Petersburg. PRAG provides support to state and local governments, authorities and agencies and other not-for-profit entities.

PRAG’s analysis for the project assumed that a portion of the debt would be taxable (59%) and a portion tax-exempt (41%), as a result of federal private activity bond laws. Their debt modeling and assumptions are reasonable, understanding that the assumptions could change due to the final form of funding agreements and broader capital market changes.

### Operating Proformas

The applicant did not provide a 10-year financial forecast, operational costs, facility expenses, miscellaneous costs, projected events and increases in governmental revenues through taxes as required in the application. It was requested the applicant submit the proforma and the applicant responded by stating the request was made to the Blue Jays organization for their consideration. Further, it appears that the City of Dunedin and Blue Jays are currently negotiating a new license agreement, which includes terms for revenue and expense sharing. Nevertheless, the proposed improvements are not anticipated to create additional annual County funding obligations.

## **Business Plan**

A business plan was provided and stated how the uninterrupted 40-year partnership between the City and Blue Jays, with demonstrated stability and success in drawing tourism and delivering promotion for the area, would be the template for continued stability and future success. The expanded facilities would continue to focus on spring training for major and minor league affiliated teams, as well as other local activities, including little league baseball, high school baseball and various special events hosted by the City. Capacity and financial stability was not addressed; however, given their tenure, the Toronto Blue Jays can be considered a financially stable entity.

## **FACILITY PLAN**

### **Architectural Drawing and Plans**

Preliminary drawings and renderings were completed by Populous and were submitted with the application. Drawings and renderings were included for both the Florida Auto Exchange Stadium and the Englebert Complex.

### **Shovel Ready**

Shovel ready certification was not provided. The applicant stated the project is in the preliminary drawing stage, with a projected completion in time for Spring Training 2019. Upon commitment of all funding elements, the project would require the completion of engineering and architectural drawings, plans and specifications, a competitive bid process and extensive permitting, to make the project “shovel ready”.

## **ECONOMIC IMPACT**

### **Feasibility Study**

The feasibility and economic impact was completed by Bonn Marketing Research, Inc. Based on information supplied, Bonn has prepared numerous research studies for MLB spring training facilities in Florida and prepared several analyses on the economic value and impact of MLB spring training in Florida. The report does not state how the expanded seating capacity from 5,500 to 8,500 was derived. Projected attendance was calculated by assuming the expanded ballpark would generate the same number of Spring Training sell-out games (eight out of 16) as in 2016 and that the non-sold out games would generate 500 additional attendees per game. Bonn estimates 100,652 attendees will be generated by the improved ballpark. This equates to a 28,000 increase to the 72,652 attendees in 2016. These assumptions appear reasonable; however, no attendance examples for comparable facilities were provided.

### Room Night Impact

Bonn estimates 28,933 hotel room nights will be generated annually by the improved ballpark. This equates to a 16% or 4,071 room night increase to the 24,862 estimated for 2016. During the due diligence to assess how room nights were calculated, it was determined room nights may have been slightly understated for the new ballpark. Using the assumption provided by the applicant, room nights of the expanded project are 31,492 calculated as follows:

These revised assumptions appear reasonable; however, no comparable facility room night data was provided. When questioned whether comparable analysis was completed regarding room night generation, the applicant stated none had been completed.

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when considering funding requests.

Visitor Origin	Out of state	Non-County	Out of state	Non-County	County	Total
Trip Purpose	Spring training	Spring training	Other	Other		
Total Attendance	72,652	72,652	72,652	72,652	72,652	
Share of attendance	32.4%	14.2%	26.1%	6.3%	21.0%	100.0%
Attendees	23,539	10,317	18,962	4,577	15,257	72,652
% that use Accommodations	35.1%	1.1%	30.2%	1.3%	0.0%	
Attendees using Accommodations	8,262	113	5,727	60	0	14,162
# People/party	3.3	3.1	3.5	3.6		
Parties	2,504	37	1,636	17	0	4,193
Length of Stay	7.4	0.8	7.9	0.6		
Room nights	18,528	29	12,926	10	0	31,492

The following summarizes the applicant’s funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the renovated and expanded facility. As a way of comparing estimated TDT collections of the various applicants, the 2016 St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Annual Incremental Room Nights	4,071
ADR	\$146
Annual TDT Collections	\$35,660
Annual Funding Request	\$3,015,000
NPV/Total Funding Request	\$46.5m/\$75.4m

It should be noted that the incremental room nights associated with the Spring Training games occur mainly in March and ADR would be higher than the \$146 annual average.

### Tourism Development Tax

According to the Pinellas County Tax Collector, the City of Dunedin represented approximately 0.9% of the total Tourism Development Tax collected in the County in calendar year 2016. The applicants \$3,015,000 annual funding request would represent 5.9% of the 2016 collections annually for 25 years.

### Economic Impact

As estimated by Bonn and Nielson, the total economic impact of the current Florida Auto Exchange Stadium is estimated to be \$96.5 million annually.

Toronto Blue Jays Spending	\$21.4m
Non-County Attendee Spending	70.6m
Media Exposure (value)	<u>4.5m</u>
	<u>\$96.5m</u>

Economic impact is estimated based on attendee spending and information gathered from surveys of attendee spending completed by Bonn. The economic impact is based on the following per capita spending amounts:

	Per Capita Spending	Percent that Use Accommodations
Out-of-state patrons that indicate their primary purpose for coming is for Spring Training	\$481.60	35.1%
In state, out-of-county that indicate their primary purpose for coming is for Spring Training	\$196.81	1.1%
Out-of-state patrons that attend a game but are in the area for other purposes	\$419.04	30.2%

In state, out-of-county patrons that attend a game but are in the area for other purposes	\$314.90	1.3%
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As listed in the table above, the applicant provided information indicating the percent of each group that uses accommodations. It appears the analysis assumes the same spending per capita amount whether or not a hotel is utilized. Based on our experience, the per capita amounts appear reasonable for those using accommodations. Generally, JLL’s approach to estimating economic impact would be to utilize a lower per capita amount for patrons that do not use accommodations, resulting in a lower estimate of economic impact.

Incremental impact was not estimated. Blue Jays spending and media exposure value would likely not increase due to the project.

Bonn estimated the spending associated with the ballpark creates/supports 799 jobs. Tax benefits were not quantified in the submittal.

**Marketing/Media**

Nielson Sports, a global provider of analytics and insights within the sports industry, estimated the annual media value the Blue Jays bring to the area. Nielson estimated that the television broadcasts, as well as the exposure via online, social media and through earned mentions in peripheral programming across North America is \$4.5m annually.

**Duplication of Facilities**

Pinellas County is home to two spring training facilities, the Florida Auto Exchange Stadium and is also home to Spectrum Field and Carpenter Field Complex in Clearwater, the Philadelphia Phillies spring training facilities. The Phillies have been training in Clearwater since 1948. Spectrum Field, the ballpark utilized for the spring training games, offers 7,300 fixed seats and 1,500 grass berm seats.

Although there are two facilities, the facilities have been coexisting for the past 40 years, therefore the expanded facility should not be viewed as a duplication of facilities.

**Summary**

- City of Dunedin owns the land and facilities and leases the facilities to the Blue Jays
- Development costs estimated to be \$81,044,191
- Funding request is \$46.5 million lump sum or \$3,015,000 annually (assumes 25-year debt issuance, \$75.4 million in payments, \$46.5 million NPV)
- State of Florida funding of \$13.7 million not yet finalized
- If annual payments are required from City, City of Dunedin’s funding source for \$5.6 million, “Penny for Pinellas” sunsets in 2020; would require extension
- Operating proforma was not supplied

- Project is not yet shovel ready; stated in preliminary drawing stage
- Bonn estimated 4,071 incremental room nights; equates to \$35,660 TDT collections annually assuming \$146 St. Petersburg/Clearwater market ADR
- City of Dunedin represented 0.9% of County's total TDT collections in 2016; \$3.0 million annual ask represents 5.9% of 2016 collections
- Nielson estimated annual media value of Blue Jays totals \$4.5 million
- Applicant estimates existing annual economic impact to be \$96.5 million
- Currently two spring training facilities; expanded facility not viewed as duplication of facilities

## Glass Studio and Hot Shop - Morean Arts Center St. Petersburg, FL





**PROJECT DESCRIPTION**

The Morean Arts Center (applicant) is requesting TDT funding for the relocation of the Glass Studio & Hot Shop. The existing glass blowing shop is a mile away from the Chihuly exhibit. The applicant states the construction of a new Hot Shop glassblowing facility next to the Morean Arts Center and Chihuly Collections will connect the facilities geographically and programmatically, creating a cultural destination that is visible, convenient, accessible and appealing.

**FINANCIAL ANALYSIS**

**Site Ownership**

The applicant states the Arts Center Association Inc. owns the five sites on Central Avenue that form the Morean Arts center, including the site for the new Hot Shop.

**Development Cost**

Total project cost with contingency was estimated to be \$2,310,000. The project cost was estimated by MESH Architecture. Development cost estimates are summarized as follows:

Construction Cost	\$1,890,000
Architectural/Engineering	240,000
Administrative	70,000
Contingency	<u>110,000</u>
Total	<u>\$2,310,000</u>

**Funding Request**

The applicant is requesting a lump sum of \$500,000. The funding request represents a Category D (capital funding/debt service other) use as defined in the Capital Projects Funding Program Guidelines and requires the applicant to provide matching funding. The request meets the funding test, with other funding equating to 3.6 times the requested funding.

**Funding Plan**

The following funding plan was included in the application:

Fund in Place (committed)	\$1,000,000
State Cultural Facilities Grant	500,000
Capital Campaign	<u>310,000</u>
Subtotal	1,810,000
Pinellas County	<u>500,000</u>
Total	<u>\$2,310,000</u>

The applicant indicated that the \$500,000 funding through the Florida Department of State, Division of Cultural Affairs is

expected to be approved through the State's budget process for FY 2017-2018. For the remaining \$310,000 to be raised, the applicant stated plans to facilitate a targeted capital campaign. The applicant stated a task force created in 2015 through the board of trustees will focus on attaining the goal in a timely manner.

### **Operating Proformas**

The applicant provided a 10-year financial forecast, including revenues, expenses, existing debt, attendance, rooms nights, economic impact and increases in governmental revenues through taxes as required in the application. It appears as if the proforma includes estimates for the entire Morean Arts Center and not just the Glass Studio and Hot Shop. Facility representatives estimated the proforma projections.

Throughout the 10-year projection period, revenues are estimated to range from \$3.1 million to \$4.0 million and expenses to range from \$2.3 million to \$2.8 million (prior to debt service).

Historical financials were not provided for comparison and the application did not mention who estimated the proforma.

### **Business Plan**

The business plan included in the application consisted of a 10-year proforma. In the Project Description and Elaboration section of the application, the applicant indicated their mission is to connect people with art. The relocation offers

enhanced visibility due to proximity to both Central Avenue and the Chihuly Collection.

### **FACILITY PLAN**

#### **Architectural Drawing and Plans**

The application included site plans, floor plans, elevations and renderings of the proposed facility. The submitted material was completed by Mesh Architecture, located in St Petersburg. The firm's portfolio includes commercial, residential, mixed use and cultural projects.

#### **Shovel Ready**

The applicant states that the project is shovel ready; however, according to the submitted preliminary project schedule, the project is in the schematic design phase. The schedule estimates construction to begin in September of 2017 and the facility to open in June 2018. Moreover, the capital campaign must be completed, representing 13% of the project costs.

### **ECONOMIC IMPACT**

#### **Feasibility Study**

The applicant did not include a feasibility study. The applicant stated since the existing Glass Studio & Hot Shop has been operating since 2012, the history of operations proves feasibility.

### Room Night Impact

The applicant provided a 10-year schedule of Morean Arts Center projected visitation, indicating 150,000 to 170,000 visitor annually over the next five years, and 5,900 to 6,800 room nights. The estimate of room nights is reasonable and consistent with industry standards. The application did not provide a visitation nor room night estimates for the proposed Glass Studio and Hot Shop.

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when considering funding requests. The following summarizes the applicants funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the renovated and expanded facility. As a way of comparing estimated TDT collections of the various applicants, the 2016 St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Annual Incremental Room Nights	Not provided
ADR	\$146
TDT Collections	N/A
Annual Funding Request	\$500,000

### Tourism Development Tax

According to the Pinellas County Tax Collector, the City of St. Petersburg represented approximately 13.1% of the total Tourism Development Tax collected in the County in calendar

year 2016. The applicants \$500,000 annual funding request would represent 1.0% of the 2016 collections.

### Economic Impact

The economic impact study was conducted by Research Data Services, Inc. (RDS). RDS is based in Tampa and has a wide range of clients including the private and public sector.

RDS surveyed 519 attendees visiting the Chihuly Collection and other Morean facilities, and the information gathered assisted with estimating the economic impact. In summary, RDS estimated the facilities generated \$36.9 million in economic impact in 2016. The impact generated by out-of-county visitors totaled \$32 million, and the impact from day trippers totaled \$4.9 million. The analysis further estimated that Pinellas residents spent an estimated \$799,300 in the downtown St Petersburg area while visiting the facilities. The methodology and per capita spending multipliers used to calculate economic impact are reasonable and consistent with industry standards.

The estimates are for the entire facility and not specifically for the new Hot Shop and Glass Studio.

### Marketing/Media

The study did not provide the expected value of the media exposure that the new Hot Shop and Glass Studio. The applicant indicated that the Morean Arts Center spends 80% of its marketing budget to tourism marketing including tourism-targeted print vehicles, in-hotel publications and

tourism related publications. The submitted proforma estimates marketing and printing expenses to range from \$221,000 to more than \$275,000 annually for all facilities.

### Duplication of Facilities

The applicant's plan included moving the existing Glass Studio & Hot Shop closer to the Chihuly Collection. The applicant acknowledges there are other glass blowing studios in the city; however, since the applicant's facility already exists, it is not viewed as a duplication of facilities.

### Summary

- The facility is owned by Arts Center Association Inc., dba Morean Arts Center
  - Development cost is estimated to total \$2,310,000
  - Funding request is a lump sum of \$500,000
  - Applicant states that the project is shovel ready; however, according to the submitted preliminary project schedule, the project is in the schematic design phase
  - Applicant did not complete a feasibility study since it's an existing project
  - Applicant estimated between 5,900 to 6,800 room nights over the next five years for entire facility; did not provide estimates for Glass Studio & Hot Shop separately
- City of St. Petersburg represented 13.1% of County's total TDT collections in 2016; \$500,000 ask represents 1.0% of 2016 collections
  - Annual media value was not provided;
    - Stated spends 80% of existing marketing budget on tourism marketing
    - Proforma indicates marketing and printing expenses to range from \$221,000 to more than \$275,000 annually
  - RDS estimated all facilities generated \$36.9 million in economic impact in 2016
  - Request is for relocation of an existing facility and therefore is not considered a duplication of facilities

Ruth Eckerd Hall  
Clearwater, FL



## Project Description

The City of Clearwater is requesting TDT funding for the final phase of the \$27 million *Expanding the Experience* capital campaign for Ruth Eckerd Hall (REH). The campaign began in 2012 and the requested funds would be a portion of the \$10 million final phase that is needed to construct a 6,000-square foot grand lobby adjacent to the main auditorium as a pre-show gathering space. The grand lobby is to include a 250-seat cabaret dinner theater that will showcase student performers from the Marcia P. Hoffman School of the Arts. This funding request also includes the replacement of the damaged, 34-year old orchestra shell and lift as well as improvements to the arrival/departure and parking.

The application states that the final phase of the *Expanding the Experience* campaign will achieve the following goals and objectives:

- Patron experience will be significantly improved in the world class facility.
- Arrival, parking, and departure experiences will be streamlined with the addition of another lane of traffic. This will also enable “double header” shows.
- The Dress Circle donor lounge will be expanded and improved allowing REH to raise more charitable revenue.

- The cabaret stage will showcase hundreds of arts school students creating new events at the center.
- The cabaret dinner theatre will have the capacity to serve 35,000 dinners adding \$1.5 million in additional revenue.
- A new agreement with the Florida Orchestra will add 28 new events for Sunday performances.
- The proposed expansion is estimated to draw an additional 107,000 patrons.

## FINANCIAL ANALYSIS

### Site Ownership

The City of Clearwater owns the Ruth Eckerd Hall and the land on which it is located.

### Development Cost

The applicant states \$27 million has been and is planning to be invested in Ruth Eckerd Hall (REH). The application indicates that \$17,000,000 is the remaining capital project budget. A detailed project budget was included in the submittal.

### Funding Request

The City of Clearwater is requesting \$5,500,000 over a five-year period (\$1,100,000 per year) for the improvements. The

funding request represents a Category D (capital funding/debt service other) use as defined in the Capital Projects Funding Program Guidelines and requires the applicant to provide matching funding. The application meets the matching test, with other funding equating to 2.1 times the requested funding.

### Funding Plan

The funding plan is as follows:

TDC Capital Project Funds Requested	\$5,500,000
Agency Match	<u>11,500,000</u>
Total	<u>\$17,000,000</u>

The applicant indicates the agency match totals \$11.5 million, inclusive of a \$3 million State of Florida grant, \$5.9 million of private donations raised to date and \$2.6 million of private donations planned to be raised in 2017.

### Operating Proformas

The submitted application did not provide a 10-year financial forecast to include operational revenues, operational costs, facility expenses, miscellaneous costs as required in the application. Upon request, the applicant provided the proforma, estimated by C.H. Johnson Consultants, Inc. (CHJ), the applicant's consultant.

Throughout the 10-year projection period from 2018-2027, CHJ estimated revenues, expenses and net income would increase at 2.5% per year from the REH projected 2017 budget.

### Business Plan

A Business Plan for the *Expanding the Experience* capital campaign for fiscal years 2013 to 2017 was provided. The plan states that to date, REH has used \$17 million in donor contributions, grants and agency cash to fund the first four of the campaigns five priorities. The final phase and fifth priority requires \$10 million to renovate facilities at the main hall.

The business plan states that REH has a history of raising funds to successfully complete large scale capital projects. In the past three years, it has funded projects totaling more than \$17 million including reconstruction and renovation of two theaters in downtown Clearwater: the Capitol Theater and the Murray Theatre. These renovations resulted in increased revenue for the organization. Over the past five years, for every \$1 million invested in capital improvements has created operating revenue of \$440,000.

The business plan states that in 2015 REH generated a record \$15.9 million in gross ticket and ancillary revenue through more than 500 ticketed events across its multiple venues. In addition, increasing cash reserves and debt restructuring has

helped increase the organizations fund balance by approximately \$3.8 million from 2012 to 2015.

**FACILITY PLAN**

**Architectural Drawing and Plans**

Detailed project drawings of the site modifications and the facility improvements were included in the submittal provided by Klar and Klar Architects and Gulf Coast Consulting, Inc.

**Shovel Ready**

A letter from Klar and Klar states that the permitting process is underway and is scheduled to be complete in the coming 2017/18 season. The project’s shovel ready determination is dependent upon clarification of the matching funding from the State grant and fund raising.

**ECONOMIC IMPACT**

**Feasibility Study**

The feasibility and economic impact study was completed by Chicago-based, C.H. Johnson Consultants, Inc. (CHJ). Seventeen case studies of past experience with arts and cultural facilities was included in the study. CHJ also participated in the Urban Land Institute Plan for the City of Clearwater two years ago.

The analysis completed by CHJ revealed REH events generated 574,400 attendees in fiscal 2015. Attendance estimates are for the REH facility in Clearwater and the REH On the Road events that occur throughout the County, such as performances at the Tampa Bay Rays games and concerts such as the Clearwater Jazz Festival. The study stated the On the Road events accounted for an estimated 232,000 attendees.

CHJ estimates the proposed project will generate 107,125 incremental patrons, a 19% incremental increase as compared to fiscal 2015.

156 pre-show events	23,367
200 stand-alone events	29,958
6 additional double-header performances	11,800
28 orchestra performances	<u>42,000</u>
Total	<u>107,125</u>

The attendance impact from the 156 pre-show events may not be incremental since the study states these events are pre-show events to existing shows at the facility, thus already accounted for in the existing attendance. Moreover, it is unclear how the renovations included in this project add 28 orchestra performances and their respective attendees. The incremental attendance impact for the 200 new stand-alone events and 6 additional double-header events equate to



41,758 attendees, or a 7.3% increase. If the additional orchestra performances are driven by the renovation, the incremental attendance impact would be 83,758, or a 14.7% increase.

### Room Night Impact

For fiscal year 2015, CHJ estimated the hotel room nights generated by REH patrons and performers totaled 74,137. This includes the rooms nights from patrons attending REH events as well as patrons attending "On the Road" events that occur throughout the County, such as performances at the Tampa Bay Rays games and concerts such as the Clearwater Jazz Festival. The estimated room nights appear reasonable.

CHJ estimates incremental room night impact from the proposed project to be 13,900, equating to a 18.7% increase. This includes the impacts from 156 pre-show events in the new cabaret theater, 200 new stand-alone events in the cabaret theater, 6 additional double header performance that can be accommodated with the enhanced parking facilities and an additional 28 Florida Orchestra Sunday performances. Utilizing projected attendance ratios, the room night impact by type or event is as follows:

156 pre-show events	3,032
200 stand-alone events	3,887
6 additional double-header performances	1,531
28 orchestra performances	<u>5,450</u>
	<u>13,900</u>

The room night impact from the 156 pre-show events may not be considered incremental since the patron room night impact is already accounted for in the existing facility impact. Moreover, it is unclear how the renovations add additional 28 orchestra performances and their respective room nights. The incremental room night impact for the 200 new stand-alone events and 6 additional double-header events equate to 5,418 room nights, or a 7.3% increase. If the additional orchestra performances are driven by the renovation, the incremental room night impact would be 10,868, or a 14.7% increase.

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when considering funding requests. The following summarizes the applicants funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the renovated and expanded facility. As a way of comparing estimated TDT collections of the various applicants, the 2016

St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Excluding Pre-Show and Orchestra Events:

Annual Incremental Room Nights	5,418
ADR	\$146
TDT Collections	\$47,500
Annual Funding Request (5 yrs)	\$1.1m
Total Funding Request	\$5.5m

Excluding Pre-Show Events:

Annual Incremental Room Nights	10,868
ADR	\$146
TDT Collections	\$95,200
Annual Funding Request (5 yrs)	\$1.1m
Total Funding Request	\$5.5m

**Tourism Development Tax**

According to the Pinellas County Tax Collector, the City of Clearwater represented approximately 32.7% of the total Tourism Development Tax collected in the County in calendar year 2016. The applicants \$1.1 million annual funding request

would represent 2.1% of the 2016 collections annually for five years.

**Economic Impact**

For fiscal year 2015, CHJ estimated the direct economic impact of REH totaled approximately \$91 million. This includes the activities that occur at REH as well as “On the Road” events that occur throughout the County, such as performances at the Tampa Bay Rays games and concerts such as the Clearwater Jazz Festival. The study uses reasonable assumptions and methodologies for calculating economic impact.

CHJ estimates the direct incremental economic impact from the proposed project to be \$6.8 million, equating to a 7.4% increase. This includes the impacts from 156 pre-show events in the new cabaret theater, 200 new stand-alone events in the cabaret theater, 6 additional double header performance that can be accommodated with the enhanced parking facilities, an additional 28 Florida Orchestra Sunday performances and lodging spending from new hotel room nights. The impact from these activities is estimated as follows:

156 pre-show events	\$1,055,800
200 stand-alone events	1,343,800
6 additional double-header performances	531,000
28 orchestra performances	1,890,000

Lodging spending 1,973,800  
\$6,794,400

The impact from the 156 pre-show events may not be considered incremental since the patron spending impact is already accounted for in the existing facility. Moreover, it is unclear how the renovations add 28 orchestra performances. The incremental impact for the 200 new stand-alone events, 6 additional double-header events and new lodging spending equate to \$3.8 million, or a 4.2% increase. If the additional orchestra performances are driven by the renovation, the incremental impact would be \$5.7 million, or a 6.3% increase.

### Marketing/Media

The application states that Ruth Eckerd Hall spent \$1.6 million on marketing activities in fiscal year 2015. Partnerships with media resulted in an additional \$1.2 million in trade and bonus value. The following examples of marketing expenditures were provided:

	Amount	Audience
Newspapers	\$573,000	803,300
Radio	332,000	2.7 million
Television	250,000	10.7 million/16 FL counties
Digital Marketing	-	658,400

### Duplication of Facilities

The applicant’s request is for the renovation/expansion of an existing facility. There is one other comparable/competitive facility in Pinellas County. Duke Energy Center for the Arts (formerly Mahaffey Theater) is a 2,031-seat theater located in downtown St. Petersburg. The Duke Energy Center hosts Florida Orchestra concerts as well as Broadway, classical, rock, pop, comedy, family and dance events.

### Summary

- The facility and land is owned by the City of Clearwater
- Development cost estimated to be \$17,000,000 (remaining from \$27m total budget)
- Funding request for \$5,500,000 over a five-year period or \$1,100,000 per year; \$4.9 million NPV
- Applicant states the permitting process is underway and is scheduled to be complete in the coming 2017/18 season; shovel ready determination is dependent upon clarification of the matching funding from the State grant and fund raising
- CHJ estimated 13,900 incremental room nights; could be 5,400 to 11,000 potential duplicate/orchestra room nights not included

- City of Clearwater represented 32.7% of County's total TDT collections in 2016; \$1.1 million annual ask represents 2.1% of 2016 collections
- Annual media value was not provided; stated REH spent \$1.6 million on marketing in fiscal 2015
- CHJ estimated project could generate \$6.8 million in direct economic impact; could be less if duplicate/orchestra spending and room nights not included
- One additional comparable/competitive facility in Pinellas County - Duke Energy Center for the Arts

St. Petersburg Shuffleboard Club  
St. Petersburg, FL



**PROJECT DESCRIPTION**

The St Petersburg Shuffleboard Club (applicant) is requesting TDT funding for the renovation of the facility. The proposal includes:

- Removing the wood paneling in the original 1927 clubhouse room and repairing the plaster walls
- Making general improvements to the bar area of the original clubhouse room, including replacing the existing counter, rebuilding the sink area and adding shelves and a storage closet

The applicant states a goal is to enhance the facility’s attractiveness for “destination weddings”.

**FINANCIAL ANALYSIS**

**Site Ownership**

The facility is owned by the City of St. Petersburg and the Shuffleboard Club is leased from the City in 36 month intervals. The most recent lease was included in the application and is dated June 2016. The lease has been renewed as required since the beginning of the operation in 1924.

**Development Cost**

Total project costs are estimated to be \$11,645. The costs were estimated by Classic Architectural, a local general

contractor. Development cost estimates are summarized as follows:

Removal paneling, patch, repair	\$3,440
Prime/Paint	2,160
Cabinetry and Bar	3,440
Storage Closet Cabinetry	1,100
Countertops	1,230
Kitchen Sink	<u>275</u>
Total	<u>\$11,645</u>

**Funding Request**

The applicant is requesting a lump sum of \$5,825. The funding request represents a Category D (capital funding/debt service other) use as defined in the Capital Projects Funding Program Guidelines and requires the applicant to provide matching funding. The request meets the matching test.

**Funding Plan**

The following funding plan was included in the application:

St. Petersburg Shuffleboard Club	\$5,825
Pinellas County	\$5,825

The applicant indicated that no loan or fundraising is necessary as the Club already has the funds for the project.

## Operating Proformas

The applicant did not provide an operating proforma. The applicant indicated the Club's revenue in 2015 was \$117,000, of which \$54,000 were related to rental events and in 2016 the revenue was \$179,000, of which \$82,000 were related to rental events. In 2017, the Club is projecting revenues similar or slightly higher than 2016 revenues. Operating expenses were not specified.

The applicant stated the facility hosts approximately 120 rental events each year and employs one full-time and four part-time employees. Of the 120 events, weddings account for 18-30 events.

## Business Plan

The Club has been in operation since 1924 and there did not submit a business plan as part of the application. In the Project Description & Elaboration section of the application, the applicant states a goal is to enhance the facility's attractiveness for "destination weddings". The applicant stated that of all rental events, wedding generate the most revenue, therefore they are a focus of promotion.

## FACILITY PLAN

### Architectural Drawing and Plans

The applicant provided photos of the existing room that will be renovated as well as an illustration of how the renovated room will appear upon completion.

## Shovel Ready

The project is shovel ready.

## ECONOMIC IMPACT

### Feasibility Study

The applicant did not complete a feasibility study and mention the request is based on the existing conditions of the facility and anecdotal comments from guests.

### Room Night Impact

The applicant stated they have not previously collected data on how many room nights are generated by the facility events. However, the applicant estimates the facility has generated from 180 to 440 annual room nights per year over the past few years. The applicant further estimates that if two additional destination weddings are hosted per year, room nights might increase to approximately 600 annually, a 160 room night increment over the 440 room nights the applicant estimates in 2017. These estimates appear reasonable.

The Capital Projects Funding Program Guidelines states that generated hotel room nights are an important factor when considering funding requests. The following summarizes the applicants funding request, estimated incremental hotel room nights and estimated TDT collections to be generated due to the renovated and expanded facility. As a way of comparing estimated TDT collections of the various applicants, the 2016

St. Petersburg/Clearwater market average daily rate (ADR) of \$146 was utilized as supplied by Research Data Services, Inc.

Annual Incremental Room Nights	160
ADR	\$146
Annual TDT Collections	\$1,402
Total Funding Request	\$5,825

**Tourism Development Tax**

According to the Pinellas County Tax Collector, the City of St. Petersburg represented approximately 13.1% of the total Tourism Development Tax collected in the County in calendar year 2016. The applicant’s \$5,825 annual funding request would represent 0.01% of the 2016 collections.

**Economic Impact**

The applicant did not provide an economic impact study.

**Marketing/Media**

The applicant states that, as a non-profit, the annual marketing budget for the facility is \$4,000. The budget includes general marketing for the Club as well as participation in Localtopia and the St. Pete Pride Festival. The applicant states plans for improved out-of-market advertising include adding metatags for on-line searches, creating a Pinterest page, as well as other website and social media enhancements.

The applicant states the Club has been featured on occasion in the New York Times, The Washington Post, The Tampa Bay Times, Redbook Magazine and The Globe and Mail.

**Duplication of Facilities**

The request is for renovation of an existing facility built in 1924, and therefore is not considered a duplication of facilities.

**Summary**

- The facility is owned by the City of St. Petersburg and the Shuffleboard Club is leased from the City in 36 month intervals.
- Development cost is estimated to total \$11,645
- Funding request is a lump sum of \$5,825
- The project is considered shovel ready and includes interior work only
- Applicant did not complete a feasibility study since it is an existing project
- Applicant estimated 160 incremental room nights; equates to \$1,402 TDT collections annually assuming \$146 St. Petersburg/Clearwater market ADR
- City of St. Petersburg represented 13.1% of County’s total TDT collections in 2016; \$5,825 ask represents 0.01% of 2016 collections



- Annual media value was not provided; stated spends \$4,000 annually on marketing
- Applicant did not provide economic impact
- Request is for renovation of an existing facility and therefore is not considered a duplication of facilities.



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Ambitions*

## CONTACTS

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