

Memorandum

To: Brian Lowack, VisitSPC
Kylie Diaz, VistSPC

From: Susan Sieger, Crossroads Consulting
Jon Clough, Crossroads Consulting

Date: February 13, 2025

Re: Clearwater Beach Municipal Marina - Capital Projects Funding Program (CPFP) Request

Based on our recent discussions, the purpose of this memo is to provide an overview of the capital funding request submitted by the Clearwater Beach Municipal Marina (Marina) and summarize the potential positive impacts to tourist-related businesses in the County. These observations are based on information provided to date.

Project Description & Background

The Marina is requesting \$10.0 million in tourist development tax (TDT) funding for the redevelopment and replacement of core Marina offerings and infrastructure, while also creating more accessible and welcoming pedestrian spaces. According to Marina management, over the past 50 years, the Marina has undergone repairs but has never been fully refurbished or replaced and its infrastructure has now reached the end of its serviceable life and requires replacement.

The Marina has 165 slips offering services tailored not only to tourists visiting Clearwater Beach but also to those exploring the County. The marina hosts 51 commercial businesses operating dinner cruises, family-oriented cruises like Nemo's Pirate Ship and Shark Teeth, fishing charters, dolphin tours, jet skiing, and parasailing. According to data provided by Moffat & Nichol, activities such as fishing charters, dinner cruises, sightseeing tours, and water sports draw an average of over 4,100 passengers daily. The Marina property offers other amenities including restaurants, retail, and other support facilities.

The strategic objectives of the project appear to be well-aligned with VSPC's Strategic Plan to improve existing assets of the region and increase the economic impacts from visitors.

Development Costs and Plans

The planned redevelopment includes replacing the existing fixed dock marina with a mix of fixed commercial docks and floating docks for recreational and transient use, upgrading utilities to modern, code-compliant standards, and raising and replacing seawalls to meet elevation requirements. Enhancements to sidewalks along the northern and eastern edges will feature landscaping, hardscaping, and lighting to create a vibrant "Marina Walk," connecting the promenade to nearby restaurants and retail. Overwater kiosks will be relocated to an upland plaza, the fuel office will be replaced with a floating building, and ADA-compliant docks will be installed per building codes. The total project cost is currently estimated to be \$46.3 million, which is inclusive of hard and soft construction costs along with requisite contingencies.

The project broke ground in November 2024 and construction is planned to be conducted in phases with a completion in August 2026. Construction budget and timing estimates were prepared by Moffatt & Nichol, a global infrastructure advisory firm that specializes in the planning and design of facilities related to marinas and other waterfront developments. The Marina intends to remain open during construction, and it has taken steps to limit disruption to commercial operations.

Matching Funds

The Marina's total request from the County is \$10.0 million which is equal to 22% of the estimated total project cost of \$46.3 million. Beyond the requested County grant, other funding sources for the redevelopment at the time of the application include:

- \$17.4 million loan from the City;
- \$11.5 million in City sales tax revenues;
- \$3.7 million in Marina revenue/cash reserves on hand;
- \$2.5 million in other grants;
- \$850,000 from the City's capital improvement funds; and
- \$250,000 from the City's general fund.

Marina management has confirmed that agreements are in place for all the City funding and that approximately half of the other grants have been received.

Tourism and Economic Impact

The Marina engaged Tourism Economics to prepare economic impact projections and associated visitation and room night demand estimates in connection with the Marina's funding request. Tourism Economics is a widely recognized global economic consulting firm that specializes in travel forecasts linked to economic and demographic outlooks, economic impact analysis, policy analysis, and market assessments to inform critical decisions in funding, taxation, travel facilitation, market allocation, and investment. Tourism Economics has completed several projects within the County, including studies in connection with other CFPF requests.

It is important to note that the incremental impact estimates prepared by Tourism Economics are based on estimates that the number of visitors to the Marina would decline in future years without the redevelopment taking place.

Highlights of the study include 10-year incremental increases after the capital investment over base operations of:

- Over 3.3 million attendees and nearly 580,000 room nights (paid and unpaid).
- \$814.7 million in economic impact (total output) and TDT totaling approximately \$8.0 million.

The aforementioned estimates appear reasonable based on the underlying assumptions within the Tourism Economics projections and far exceed the attendance and room night thresholds set forth in the CFPF guidelines.

Tourism Business Perspectives: Insights on Marina Investment Benefits

Two businesses operating within the Clearwater Beach Marina emphasized that the proposed improvements are long overdue, noting that the facility has reached the end of its useful life. They affirmed that the planned investments will not only help maintain the Marina to support their tourism businesses, but also enhance the overall appeal of the area, benefiting both visitors and local businesses. Letters of support from these two businesses are provided on the pages that follow.

Summary

Based on our review, the Marina attracts a significant number of visitors and hosts a variety of tourism-oriented businesses that will benefit from the investments. Furthermore, the projected visitation, room nights, and economic impacts prepared by Tourism Economics show substantial positive-impacts to tourist-related businesses at the Marina and throughout the County.

Please let us know if you have any questions regarding this memo.

CONFIDENTIAL



February 11, 2025

To Whom It May Concern,

I am writing to express my strong support for the continued investment and modernization of the Clearwater Beach Municipal Marina, a vital asset to our local economy and community. As a business owner operating out of the marina, I can confidently say that continued improvements to this facility will deliver far-reaching benefits not only to our company, Stella Fishing Co., but also to the many businesses that rely on its infrastructure.

The marina serves as the foundation for a range of businesses, from charter fishing and boat tours to local restaurants and retail shops. For Stella Fishing Co., the marina is more than a docking location—it is central to our ability to provide exceptional experiences to both residents and visiting tourists. Modernizing the docks, upgrading amenities, and ensuring the facility is environmentally and operationally sustainable will allow us to maintain the high standard of service that our customers expect while improving safety, efficiency, and accessibility.

Investment in the marina also strengthens the local tourism industry. Enhanced infrastructure leads to smoother operations, improved aesthetics, and an overall positive impression on visitors. As Clearwater Beach continues to grow as a top tourist destination, it is essential to have a marina that reflects this growth and positions the businesses within it for long-term success.

Moreover, modernization will help businesses like Stella Fishing Co. adapt to future challenges, including the need for environmental resilience. Improved dockage, access to modern utilities, and energy-efficient upgrades are necessary to protect the marina and its operators from the long-term impacts of weather events and rising operational demands.

In short, supporting this investment is an investment in the businesses, jobs, and community that depend on the marina's success. On behalf of Stella Fishing Co. and our staff, I encourage you to prioritize, accelerate the efforts and investments to modernize the Clearwater Beach Municipal Marina.

Thank you for your consideration and for supporting the continued prosperity of our community.

Sincerely,

Jamie Smith
Stella Fishing Co.
727.424.0694

February 9, 2025

To whom it may concern,

I am writing this in support of the Clearwater Beach Marina improvements that are necessary for all the businesses in the marina. Improvements have been needed for many years to the marina docks for multiple reasons. The most important of which is safety.

The old docks have hundreds of thousands of customers on them each year and with failing boards, rusted hardware and crumbling seawalls it is only a matter of time before someone gets injured. The functions of the docks are also in question with the ability to securely hold the many boats and ships doing business in the marina. Lastly, appearance is also an issue. The Clearwater Beach area is a premier vacation destination for people around the world. Having an upgraded marina will represent the area well and continue to bring people to America's #1 beach destination and its businesses.

Thank you for your time.

Sincerely,

Tom Leogrande
Captain Memo's Pirate Cruise
General Manager