



Pinellas County

Staff Report

File #: 18-2130A, Version: 1

Subject:

Request by the City of Clearwater seeking conceptual approval for staff to review Category E Tourist Development Plan Funding Application and commence negotiations to fund retained Spring Training Facility improvements for the Philadelphia Phillies.

Recommended Action:

Approval for County staff to engage with the City of Clearwater (in accordance with the Capital Projects Funding Program Guidelines) to review the application and negotiate the funding and agreement terms related to Tourist Development Tax (TDT) funding for retained Spring Training Facility improvements for the Philadelphia Phillies.

- City of Clearwater requesting conceptual approval to commence negotiations on funding agreement.
- \$40.0M Net Present Value (NPV) funding request from TDT proceeds under Capital Funding program.
- Proposed funding partners are City (\$16.0M NPV), Phillies (\$10.0M NPV + cost overruns), State (\$13.7M NPV), and County (\$40.0M NPV).
- Proposed project duration is five years and two major phases (phase 1 is Carpenter Complex anticipated to commence in April, 2020).
- Next steps are:
 1. Input on deliverables from Tourist Development Council (TDC).
 2. City submission of deliverables as defined by County (based on input from the Board of County Commissioners (BCC) and the TDC).
 3. Due diligence review of deliverables by County staff and consultants
 4. Review and input on deliverables by TDC.
 5. Negotiation of proposed agreement by City and County staff and consultants.
 6. BCC consideration of negotiated funding agreement supported by deliverables.

Strategic Plan:

Foster Continual Economic Growth and Vitality

4.6 Support a vibrant community with recreation, arts, and culture to attract residents and visitors

Summary:

The City of Clearwater (City) is seeking funding support for improvements to the Philadelphia Phillies spring training facilities from Tourist Development Tax (TDT) proceeds. The City and the Phillies have agreed to a term sheet that outlines a new 20-year agreement. The total project cost is estimated at \$79.7M and would address improvements at both Spectrum Field and the adjacent Carpenter Complex. The City is seeking \$40.0M in TDT funds from the Tourist Development Plan Capital Funding program. The balance of the project would be funded by the state (\$13.7M), City (\$16.0M), and the Phillies (\$10.0M). The Phillies will be responsible for any costs exceeding the estimated

\$79.7M total project cost.

Draft deliverables include economic impact study, detailed project description, budget, timeline, financing plan, and marketing and benefits plan. County review of deliverables will include legal analysis of applicability of using tourist development tax proceeds for specific elements of the proposed project, as well as financing, funding, and agreement terms.

Background Information:

As reflected in the attached Category E Tourist Tax Process Map, conceptual approval by the Board of County Commissioners (Board) is the first step in considering the City request. The City's application will include the draft deliverables as detailed in attachment and any additional deliverables as directed by the Board and the TDC. If the Board provides conceptual approval, the TDC will review and provide input at its February 20 meeting.

After the City submits its application, County staff, with support from consultants, will negotiate an agreement with the City to be considered by the Board.

Fiscal Impact:

Requested funding of \$40.0M in Tourist Development Tax proceeds from FY20-24. The Capital Funding program is funded with 40% of total TDT revenue collected and, without consideration of other requests that may be received, is forecast to have capacity to support the payment schedule as requested.

Staff Member Responsible:

Bill Berger, Director, Office of Management & Budget
David Downing, Director, Convention & Visitors Bureau

Partners:

City of Clearwater
Philadelphia Phillies
Tourist Development Council
State of Florida

Attachments:

Request Letter from City of Clearwater
Category E Tourist Tax Process Map
Application Draft Deliverable - Economic Impact Study Requirements
Tourist Development Tax Capital Funding Program Cash Flow Projections