



Pinellas County

Staff Report

File #: 25-1667A, Version: 1

Subject:

Capital Project Funding Agreement with the Clearwater Marine Aquarium, Inc. for renovations to the Clearwater Marine Aquarium, including a request for milestone payments.

Recommended Action:

Approval of the Capital Project Funding Agreement with the Clearwater Marine Aquarium, Inc. (CMA) including a request for milestone payments, which requires a waiver of the Capital Projects Funding program guidelines.

- Agreement with the CMA is for \$6,050,000.00 and supports renovations to the Clearwater Marine Aquarium as part of the Capital Projects Funding Program.
- Convention and Visitors Bureau (CVB) staff negotiated the terms for a maximum return on investment for the County.
- CMA requested milestone payments which if approved, will require the Board of County Commissioners to waive the guidelines as to payment at project completion.
- CMA notified the County it would be cost prohibitive for CMA to meet the standard insurance requirements. CVB staff, after consulting with the County Attorney and Risk Management, negotiated an acceptable alternative insurance requirement.
- Tourist Development Council recommended five capital projects for funding on February 19, 2025, including renovations to the CMA.
- Board approved Tourist Development Council's recommendations on March 25, 2025, for a combined maximum funding amount of \$26,400,000.00.
- Funding for renovations to the Aquarium is not budgeted in CVB's Fiscal Year 2026 Adopted Budget in the Tourist Development Tax Fund and may necessitate a budget amendment if the agreement is approved.

Agreement for a not to exceed amount of \$6,050,000.00 is effective for three years from the date of execution by the County with construction anticipated to commence no later than September 30, 2026; Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Priorities:

Prosperity and Opportunity

3.2 Provide and promote tourism opportunities

3.5 Foster business growth

Summary:

This Agreement provides support for renovations to the Aquarium. This project has met the criteria defined in the Guidelines and includes tourism promotion benefits negotiated by the CVB for a maximum return on investment for the County. The Agreement will commence upon final execution and will be in effect for three years. Construction is anticipated to begin no later than September 30,

2026.

CMA is asking the County to approve quarterly milestone reimbursement payments which if approved, will require the Board to waive the Guidelines as to payment at completion. Additionally, CMA is unable to meet the County's standard insurance requirements. Following discussion with County staff, CMA provided acceptable alternative insurance coverages.

Background Information:

The Capital Funding Program is one of the programs administered by the CVB on behalf of the County that awards Tourist Development Tax funding to eligible capital projects that have met the criteria in Fla. Stat. 125.0104, Pinellas County Code 118-32, and the adopted Guidelines.

On March 25, 2025, the Board approved a maximum of \$26,400,000.00 in funding for five capital projects, including \$6,050,000.00 for the Clearwater Marine Aquarium. During contract negotiations, CMA and their insurance agent confirmed CMA would not be able to meet the County's standard insurance terms of 90% of the building replacement value since securing an additional \$5,000,000.00 in flood coverage would cost approximately \$450,000.00 for the non-profit. After consulting with the County Attorney and Risk Management, CVB staff negotiated an acceptable alternative insurance requirement that includes maintaining annual property coverage of at least \$12,000,000.00 for windstorm damage and at least \$1,000,000.00 for flood damage. Additionally, in their letter dated July 28, 2025, CMA requested quarterly progress payments which if approved, will require the Board to waive the Guidelines as to payment at project completion. This Agreement is effective for three years from the date of final execution with construction starting no later than September 30, 2026.

CVB Staff negotiated tourism promotion benefits for a maximum return on investment for the County. Tourism benefits include permanent signage, use of event space, collaboration on joint marketing campaigns, branding, collaboration on media tours and more, as detailed in Exhibit B.

CMA's renovations involve transforming an unused habitat into an immersive exhibit that will include sea lions and seals, as well as the development of a second marine animal exhibit within the Winter Zone. These improvements will allow CMA to expand educational offerings, strengthen its conservation impact and continue to serve as a premier attraction for local visitors and tourists.

Fiscal Impact:

Total Cost: \$6,050,000.00

Funding to support the Capital project Funding Agreement in the amount of \$6,050,000.00 is provided through the Tourist Development Tax Fund.

Staff Member Responsible:

Brian Lowack, Director, Convention and Visitors Bureau

Partners:

Tourist Development Council

Attachments:

Capital Project Funding Agreement
Capital Projects Funding Program Guidelines

CMA Letter dated July 28, 2025