

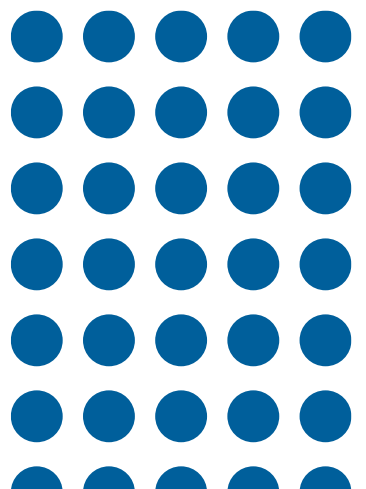


PUBLIC-PRIVATE PARTNERSHIP (P3) PRESENTATION

SUNSHINE RECREATIONAL AND ENTERTAINMENT LLC



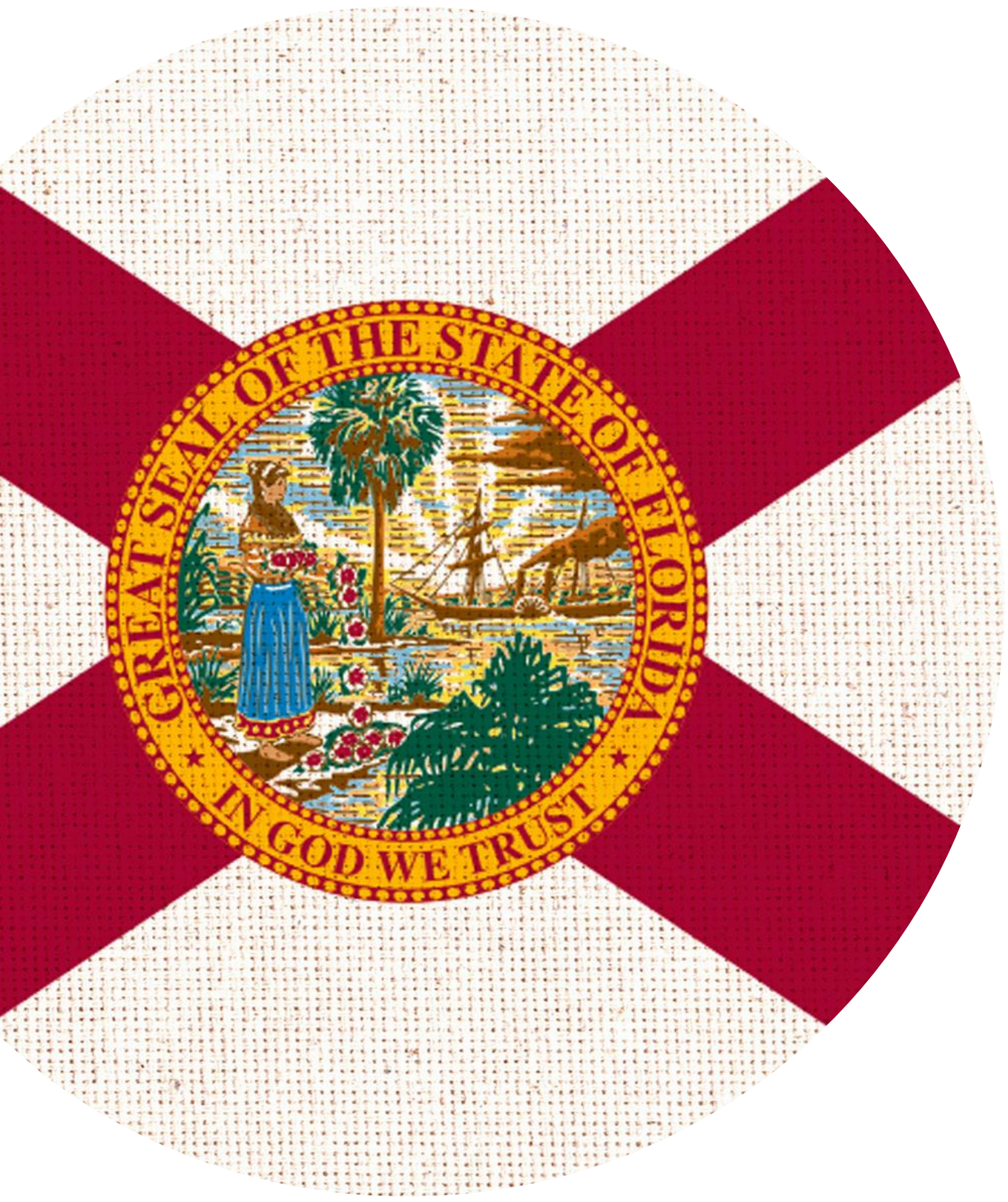
CLEARWATER
BRIGHT AND BEAUTIFUL • BAY TO BEACH





WHAT IS A P3?

- Public-Private Partnership
- A partnership between the government and a private company to construct or upgrade facilities used for a public purpose.
- Often used for infrastructure and large-scale development, with private-sector funding and expertise.
- The private partner may finance, design, build, operate, maintain, renovate, improve, etc.



SECTION 255.065 FLORIDA STATUTES

- Establishes the process for evaluating unsolicited proposals.
- Allows a county, municipality or special district to consider unsolicited proposals without a formal bidding process under certain conditions.
- City of Clearwater follows process outlined in Section 255.065

PROCESS

STATE-REQUIRED PROCESS FOR UNSOLICITED P3 PROPOSALS WITHOUT BIDDING



Private
Developer
Submits
Proposal



Developer
Pays Review
Fee
\$25,000



City Initial
Review
Looking at Financial,
Legal, and Community
Impacts



City Meeting
with
Presentation
by Applicant



Noticed City
Public Meeting
#1 - Public
Interest
Discussion



Noticed City
Public Meeting
#2 - Public
Interest
Determination





BACKGROUND

On Nov. 4, 2025, the city received an unsolicited proposal from Sunshine Recreational and Entertainment, LLC to lease, develop and operate a sports, recreation and entertainment complex on the city-owned Landings Golf Course.

Following an initial review, the city requested additional information. An amended proposal was submitted Dec. 30, 2025. The city conducted a comprehensive review with staff and independent consultants.



SUNSHINE RECREATIONAL AND ENTERTAINMENT LLC PROPOSAL

- Multipurpose Fields
- Pickleball Courts
- Sand Volleyball Courts
- Aquatic and Waterpark Attraction
- Fitness and Wellness Facilities
- Restaurant and Food Services
- Walking and Biking Trails

Construction is anticipated to take about 3 years to complete.



PROJECT COST BREAKDOWN

- Estimated project costs are \$179.6 million
 - Private loan: \$107.8 million
 - Pinellas County tourist development taxes (TDT): \$44.9 million
 - Private equity: \$26.9 million

Request for county funding is contingent on City of Clearwater approval.



FINANCIAL REVIEW AND ANALYSIS

An independent review of the project pro forma and financing plan proposed by the developer was completed by Public Resources Advisory Group.



FINANCIAL REVIEW AND ANALYSIS

Financial Structure

Sources of Funds

Construction Loan	\$107.8 million
Pinellas County TDT Funds*	44.9 million
<u>Equity</u>	<u>26.9 million</u>
Total Sources of Funds	\$179.6 million

**Pinellas County Tourist Development Taxes*

Uses of Funds

Horizontal Hard Costs	\$70.5 million
Vertical Hard Costs	84.4 million
Development Soft Costs	15.9 million
<u>Loan Closing Costs</u>	<u>8.8 million</u>
Total Uses of Funds	\$179.6 million

Major Cost Items

Site Development	\$39.3 million
Multi-purpose Fields	21.0 million
Water Park (Phase 2)	25.6 million
Pickleball	14.9 million
Food Hall / Arcade	9.8 million
Fitness Venue (Phase 2)	8.1 million
Championship Field	6.6 million
Wellness Venue (Phase 2)	5.2 million
Putt-Putt	4.8 million



FINANCIAL REVIEW AND ANALYSIS

Pro Forma Revenue and Expenses

YEARS 1-5					
REVENUE					
Revenue Item	Year 1	Year 2	Year 3	Year 4	Year 5
Sports and Recreation	\$ 7,346,950.00	\$ 8,116,058.00	\$ 9,330,190.00	\$ 22,262,765.00	\$ 24,607,064.00
Restaurants	\$ 26,898,000.00	\$ 27,704,940.00	\$ 28,536,088.00	\$ 35,097,171.00	\$ 36,439,186.00
Run Events Income	\$ 178,500.00	\$ 183,855.00	\$ 189,370.65	\$ 195,051.77	\$ 200,903.32
Total Revenue	\$ 34,423,450.00	\$ 36,004,853.00	\$ 38,055,648.65	\$ 57,554,987.77	\$ 61,247,153.32
EXPENSES					
Expense Item	Year 1	Year 2	Year 3	Year 4	Year 5
Sports and Recreation	\$ 5,426,476.00	\$ 5,752,211.00	\$ 6,322,970.00	\$ 15,581,401.00	\$ 16,754,556.46
Restaurants	\$ 22,056,360.00	\$ 22,718,051.00	\$ 23,399,592.00	\$ 28,779,580.00	\$ 29,880,132.00
Run Events Expense	\$ 35,700.00	\$ 36,771.00	\$ 37,874.13	\$ 39,010.35	\$ 40,180.66
County Property Tax	\$ 1,429,530.00	\$ 1,472,415.90	\$ 1,516,588.38	\$ 2,019,970.03	\$ 2,080,569.13
Rent	N/A	N/A	N/A	N/A	N/A
Total Expenses	\$ 28,948,066.00	\$ 29,979,448.90	\$ 31,277,024.51	\$ 46,419,961.38	\$ 48,755,438.25
Net Operating Income	\$ 5,475,384.00	\$ 6,025,404.10	\$ 6,778,624.14	\$ 11,135,026.39	\$ 12,491,715.07
Debt Service	\$ 4,793,619.70	\$ 4,793,619.70	\$ 4,793,619.70	\$ 6,466,533.22	\$ 6,466,533.22
Debt Service Coverage Ratio	1.14	1.26	1.41	1.72	1.93
Cash Flow	\$ 681,764.30	\$ 1,231,784.40	\$ 1,985,004.44	\$ 4,668,493.17	\$ 6,025,181.85



FINANCIAL REVIEW AND ANALYSIS

Financial Considerations

- It is too early in the process to determine the financial returns to the City as important financial details such as the lease term, rates, and abatements as well as potential revenue sharing should be negotiated as the transaction moves forward.
- There are some unique financial considerations the City should be aware of as it evaluates the proposal.
 - A significant cost is required to “flatten” the golf course to provide level land for the multi-purpose fields and parking.
 - The restaurant operations provide a major portion of the revenues and net operating income.
 - The development is scheduled to occur in two phases with the majority of costs incurred in Phase I and a significant portion of the income generators placed in service in Phase 2.
 - The Lease will require balancing the needs of the lender to foreclose in case of default and the needs of the City to maintain control of how the site is used.
- We believe the most cost-effective method for the City to gain comfort in the ability of the Developer to successfully operate the Proposed Project would be by having the Developer provide a financing commitment or term sheet from a financial institution that provides the necessary financing for the Proposed Project while recognizing and preserving the City’s underlying interest in the land.



STAFF EVALUATION

Staff evaluated the proposal using the following criteria:

- Public Benefits and Department Feedback
- Financial Structure, Economic Benefits Achieved by the Proposal
- Proposer's Qualifications and Experience
- Compatibility of the Proposal Project with Strategic Plan and Other Associated Documents



STAFF EVALUATION – PLANNING & DEVELOPMENT

Principal use of the site is Parks and Recreation Facilities.

- Preliminary review determined project is consistent with the Comprehensive Plan policies
- Current zoning is Open Space/Recreation (OSR), which includes facilities such as golf courses and similar outdoor recreational uses
- Proposal is majority recreational uses with supporting accessory uses, which supports the interpretation.

STAFF EVALUATION - PARKS AND RECREATION



- Proposal requires clarity on the following issues;
 - City programming rights
 - Community access
 - Partnerships with existing city recreation programs
- Other issues identified;
 - Facility maintenance standards
 - Capital reserves requirement
 - Responsibility for major repairs
 - Facility condition at lease expiration
- City's recreational service needs gap could be filled with additional facilities



STAFF EVALUATION - PUBLIC WORKS

- Traffic
 - Increase in volume is expected
 - Traffic study shows how additional capacity can be addressed
 - Parking plan needs further evaluation
- Pedestrian and Bicycle Safety issues need to be addressed
- Landfill remediation will be required
- Stormwater management plan will be required
- More coordination with aviation authorities recommended



STAFF EVALUATION - MARINE AND AVIATION

The project will likely involve meeting several FAA regulations. The following were mentioned by Marine and Aviation staff for the applicant to be aware of;

- Airspace Protection/Safety - 14 CFR Part 77
- Airspace Determination - FAA Form 7460-1
- Lighting Impacts - AC70/7460-1 and AC 150/5340 series
- Wildlife Hazard Considerations - FAA 150/5200-33
- FAA Land Use Compatibility - AC 150/5190-4



STAFF EVALUATION - ECONOMIC DEVELOPMENT

- Sports tourism development is growing trend across the United States, and particularly the southeastern United States.
- Proposal consistent with the City of Clearwater Strategic Plan of promoting the city as a premier destination for tourism, sporting events, and health/wellness activities.
- Indirect impacts are important to tourism and small businesses. Total estimated economic impact over 10 yrs is \$556M.



STAFF EVALUATION - CITY MANAGER'S OFFICE

- Local developer with industry experts that specializes in facility construction, management and programming
- Supports the City of Clearwater Strategic Plan
- The project is consistent with city's investment strategy for private investment and community development.

REGULATORY REVIEW AND APPROVAL

- Traffic and Infrastructure
- Stormwater
- Airport Compatibility
- Environmental Compliance
- Site Plan Review
- Building Permitting



APPROVAL OPTIONS FOR CITY COUNCIL

Upon conclusion of the presentations and public comment, the council has several decisions at its disposal:

- The council may accept the proposal as a qualifying project under Sec. 255.065, F.S. and direct staff to proceed with the unsolicited proposal in accordance with Sec. 255.065(3)(c).
- The council may accept the proposal as a qualifying project under Sec. 255.065, F.S. and direct staff to seek other proposals in accordance with Sec. 255.065(3)(b).
- The council may reject the unsolicited proposal from Sunshine Recreational and Entertainment LLC.





STAFF RECOMMENDATION

After reviewing and evaluating all the information provided by Sunshine Recreational and Entertainment LLC, staff recommends accepting the proposal as a qualifying project under Sec. 255.065, F.S. and direct staff to solicit other proposals in accordance with Sec. 255.065(3)(b).

NEXT STEPS

If City Council proceeds to solicit proposals the next steps are;

- Solicit other proposals in accordance with Florida Statute 255.065 (3)(b)
- If the city receives other proposals, hold a public meeting to review proposals
- If a proposal is selected, hold a public meeting to approve an Interim Agreement



Noticed City
Public
Meeting -
Review &
Select
Proposal



Noticed City
Public Meeting -
City Council
Vote on
Interim
Agreement



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QUESTIONS?

