



June 22, 2016

Mr. William Horne, City Manager  
Clearwater City Hall, 3rd Floor  
112 S. Osceola Ave. P.O. Box 4748  
Clearwater, FL 33756

Dear Mr. Horne:

As you are aware, CMA received approval by the City's Community Development Board for an expansion of our Island Estates facility on January 19, 2016. This approval was appealed by a resident of Island Estates and the appeal was ruled in our favor on 5/20/16. We are now moving ahead with this project. Total project costs are estimated to be approximately \$53 million. The first phase of the project will be to build 75% of the parking garage leaving space on our property for access to the construction site and laydown. The remainder of the parking garage will be completed in the last phase of the project. The total garage cost is estimated at approximately \$11.4 million. We are currently working with BB&T for financing of the of the entire garage. We anticipate additional debt to complete the entire project and will be working with a funding source to complete a Master Credit Facility. BB&T understands if they are not the funding source for the Master Credit Facility that the parking garage loan will likely be bought out by the entity funding the Master Credit Facility.

In preliminary discussions with banks, they will require a Master Credit Facility to be collateralized by all of our Island Estates property and other anticipated revenue streams that may come from possible State, County Tourist Development tax and City support. After collateralization of various incoming revenue streams, we believe to secure the remainder of debt necessary to fund construction, an increase of the City's subordination agreement with CMA to \$25 million will be required. Therefore, we are seeking approval, by City Council for an increase in the City's subordination from the current \$8.6 million to \$25 million on our main facility. Once a funding source for our Master Credit Facility has been identified, we will provide the necessary documentation to effect the subordination if approved.

Please let me know if you have any questions or require additional information.

Thank you for your consideration.

Very truly yours,

Frank L. Dame  
Executive VP/COO

C: Pam Akin

WE BELIEVE in preserving our marine life and environment while inspiring the human spirit through leadership in education, research, rescue, rehabilitation and release.

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