



CITY OF CLEARWATER

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CITY COUNCIL

December 20, 2018

Honorable Kenneth T. Welch, Chair
Pinellas County Board of County Commissioners
315 Court Street
Clearwater, FL 33756

Dear Mr. Chairman:

The City of Clearwater is seeking conceptual approval to begin negotiations for a Category E Tourist Development Plan Funding Application to fund retained Spring Training facility improvements for Spectrum Field and Carpenter Complex (together the Clearwater Complex), which are currently occupied by the *Philadelphia Phillies*. As one of 19 communities in the country that host Major League Baseball Spring Training and player development, the improvements are needed to upgrade and to maintain the fan experience, as well as to stay current with the changing environment of Major League Baseball player development.

The City of Clearwater and the *Philadelphia Phillies* have agreed to a term sheet that outlines a new 20-year agreement. This new agreement will allow the city, *Philadelphia Phillies* and Pinellas County to extend their partnership of spring training baseball in the region, which will begin its 73rd season in 2019. Over the past 18 years, the team has committed \$18.5 million, the City \$16 million, and the state and county \$8 million each toward capital improvements at Spectrum Field and Carpenter Complex sites. In addition, the proposed agreement will provide upgraded quality facilities and fan experiences for the Florida State League's Clearwater Threshers, which is annually the highest draw in the league and just completed its 33rd year in Clearwater and Pinellas County.

As you know, whether it is international, national, or NCAA Softball at the award-winning Eddie C. Moore Complex, international and national aquatic events at the Long Center, or Men's Senior Baseball League events, the City of Clearwater and Pinellas County have worked together to provide from world-wide to local sports tourism opportunities in a variety of activities to benefit this county. Thus, because of its longstanding tradition of excellent athletic facilities and partnerships with Pinellas County, the City of Clearwater is the ideal applicant under the above-named program category for Tourist Development Tax (TDT) funds in the amount of \$40 million for renovations and improvements to the Clearwater Complex that has been home to the *Philadelphia Phillies* and Clearwater Threshers.

George N. Cretokos, Mayor

Doreen Caudell, Councilmember
Dr. Bob Cundiff, Councilmember



David Allbritton, Councilmember
Hoyt Hamilton, Councilmember

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The Spectrum Field portion of the project is currently estimated at \$40-45 million within a larger \$79.7 million overall project. The Carpenter Complex portion of the project is currently estimated at \$35-40 million, which includes approximately \$15.5 million for the construction of a player education and accommodation facility that will not use TDT dollars. The design of the Carpenter Complex improvements is complete, including construction drawings, and the City and *Philadelphia Phillies* intend to break ground on this part of the project in April, 2020 with preparatory site work commencing the fall

of 2019. However, commencement of construction on the entire project (Carpenter Complex and Spectrum Field) is contingent on all funding sources being in place. For this reason, the purpose of today's letter is to seek conceptual approval to begin negotiations, and it replaces the previous application for TDT funding submitted by the City in June of this year.

The anticipated capital contribution for each funding partner is as follows:

State of Florida - funding from the State of Florida, through the Department of Economic Opportunity (DEO) in an amount of \$20 million (\$13.7 million bonded net present value) would come from State sales tax revenue pursuant to Florida Statutes §§288.11631 and 212.20. Once funding agreements among the City of Clearwater, Pinellas County, and the *Philadelphia Phillies* have been reached, this project can be certified by DEO to receive state funding.

Philadelphia Phillies - The contributions made by the *Philadelphia Phillies* will be driven by both a development and license agreement between the City and the team. In addition to an annual stream of payments over the term of the 20-year agreement, the team has communicated its intention to commit \$10 million toward this project. The team also would be responsible for any and all cost overruns above the total project cost of \$79.7 million.

City of Clearwater - The City intends on using the one-cent infrastructure sales tax, "Penny for Pinellas" funding, for its contribution of \$16 million to this capital project.

Pinellas County – TDT funds in the amount of \$40 million.

The City and team anticipate a four- to six-year window for the entirety of the project so that both facilities may remain open during construction, which will allow the public to continue to engage with the team. The City and the *Philadelphia Phillies* currently have an RFQ out for the design of the renovations and improvements to Spectrum Field. We anticipate selecting a design firm for the Spectrum Field portion of the project by the Spring of 2019, with design work to begin immediately and be completed by the end of 2019. Spectrum Field improvements would commence in 2020-2021 with a projected completion in 2024. The following are planned improvements to Spectrum Field;

- Climate controlled club level
- Climate controlled connection of third floor
- Renovate and expand the left field concourse/rest rooms
- Repair and replace capital items as identified in Delta Engineering Report
- Renovate and expand office space
- Renovate and expand fitness/training space

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- Expand food service and dining area
- West entrance elevator/handicapped entrance

The following are planned improvements to the Carpenter Complex:

- Renovate and expand existing player clubhouse
- Renovate and expand office space and development staff space
- Player education and accommodation facility
- Maintenance facility
- Increased field and practice areas

Based upon these improvements and the construction schedule, the following sequence of funding is being requested so that Pinellas County and its TDC will have funds available for other projects: FY 20- \$3.3 million, FY 21- \$14.1 million, FY 22- 12.9 million, FY 23- \$8.5 million, FY 24- \$1.2 million.

The City of Clearwater has procured the services of Downs & St. Germain to conduct an economic impact study during the 2019 Spring Training season. This study will follow the guidelines and methodologies set forth by the Tourist Development Council in its revised application requirements. The City also has discussed with the *Philadelphia Phillies* the identification of potential marketing opportunities both in Pinellas County and the Delaware Valley region (Philadelphia metropolitan area) that will provide an in-kind benefit to Pinellas County.

This request has received the Clearwater City Council support and the endorsement of the Friends of the Phillies Committee, which includes former mayors of Clearwater, as well as multiple prominent business leaders of the community. The City of Clearwater appreciates the opportunity to apply for this funding and looks forward to continuing Clearwater's longstanding commitment of partnering with Pinellas County on sports tourism and this project with its expected benefits for all of Pinellas County.

With best wishes and warm, personal regards, I am

Sincerely,



George N. Cretekos
Mayor

cc: Bill Berger
William B. Horne, II
Clearwater City Council