Proposal to Lease: proposal to lease St. Petersburg Municipal Marina located at 500 1st Avenue Southeast, St. Petersburg Florida 33701

St Petersburg Downtown Marina LLC
447 3rd Ave N Suite 305
St. Petersburg FL 33701

Our Mission

The St. Petersburg Downtown Marina LLC, a brand new corporation, was setup to solve a problem the City is facing as it continues to build one of the best downtowns in the entire country. Our downtown market is home to many celebrities including John Travolta but also thousands of international tourists. These tourists and high net worth individuals are flocking to our community to fill the new condos and housing that is being built. The new pier and waterfront area downtown are one of the main drivers of both this expansion and the future expansion that is coming.

As the downtown market grows, especially with the addition of the new pier, it will be essential that the downtown marina matches the level of beauty and sophistication of the new multi-million dollar pier. The current marina is an eye sore, I mean that in the politest way possible. For example, many of the boats in the current marina look abandoned and are ill maintained. This eyesore is only part of the problem. The real problem is the lack of parking for the kind of boats that are going to be needed to continue to fuel the expansion of the downtown area. If for example we spend 80 million dollars+ on the pier, will the benefit to the community be as strong if you have to drive down a street lined with abandoned moldy boats to get to the new masterpiece?

Our vision is to use our connection as yacht club members and avid boaters to recruit the correct tenants for the marina. We envision the marina resembling a high-end marina located in Fort Lauderdale or Miami. Many of the slips at the current marina will not allow some of our fellow yacht club members to move their boats to this marina. For example, we have no 100+ foot boat parking slips. How many celebrities would like to live in St. Petersburg but choose Miami because of the lack of boat parking? We have plans to change the marina slightly and add a few of these choice slips, allowing the highest caliber of people to be able to come to our area. We know that famous people help to build the buzz that exponentially grow a community. Many of these super successful individuals have large yachts and we need the parking for these boats.

In addition to changing the marina to house bigger boats and cleaning up the current landscape at the marina, we want to serve the City. We have looked at the other proposal and notice

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several things that alarmed us and made us want to put in this bid. The first thing was the lack of revenue sharing with the City for this great asset. We view this marina as one of the prized possessions in St. Petersburg and feel the city should be compensated for that. The other was the huge financial risk the City would entail entering into this agreement with the contractor. We viewed the exit price of the other proposal at 38 million dollars to be a huge financial risk to the City.

In our proposal we are going to put up a bond to guarantee our performance, to offset our lack of marina ownership experience, and not tie the City to a huge penalty to remove our contract if something changes. We envision maintaining and growing the marina for the next 30 years. We want what is best for the City and community and feel that the current employees should be kept on board through this transition. Our business plan is for the next five years to invest our capital and our profits back into the marina in order to fund the much needed improvements. We have solid plan that will take this project off the cities hands and prevent the city from taking on millions in debt. We view this as our legacy and not a financial opportunity. We look forward to giving back to this great City for all the great blessings it has bestowed on us and our families.

BIO

Managing Director

Dan Driscoll

Dan was born at Bayfront Hospital on October 6, 1984 a true St. Petersburg native and avid boater since birth. Dan, a loyal member to the St. Petersburg Yacht Club (located in the Basin of the marina) since he graduated from the University of South Florida St. Pete campus in 2005. After graduation Dan took a job, while he obtained his MBA from the University of Tampa, selling yellow page ads for Verizon. He did this to keep out of debt which built a strong work ethic to say the least. Dan decided in 2009 to become a real estate investor to help deal with the glut of abandoned properties littering his community. Since 2009, Dan has restored hundreds of abandoned properties and still owns over fifty rental properties in the Pinellas market.

In 2010 Dan was a co-founder in US Federal Contractor Registration Inc, a St. Petersburg based firm that helps businesses work with the Federal government. While serving as President of that organization Dan brought on clients including Amazon web services, Google, and Hilton Hotels. Dan grew the organization from just two people in a 400 square foot office to over 50 employees in over 8,000 square feet located in the Baypointe building in St. Petersburg. Dan has a passion for boating, real estate, and people. Dan loves St.Petersburg and feels so blessed

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to live in this great community. Dan desires deeply to give back to this community that has given so much to him.

BIO

Managing Director

Peyton Lockey Yon, SR.

Born 1955, moved to St. Petersburg upon my father’s retirement in 1964 from USAF. Peyton has been self-employed most of his adult life. Peyton is loyal St. Petersburg Yacht Club member and avid boater. His resume includes: Business Communications Services (Owner Operator of CB Communications Inc.) 1972 to 1977, United States Small, Business Administration SBA 1978-1980 (Independent Contractor/Disaster & Recovery Loan Specialist), Licensed Florida Real Estate Broker from 1976 to Present (Owner Operator of Yon Realty, LLC), Property Management and Resort/Destination Properties from 2004 to Present (Owner Operator of Mullet Republic LLC), and Aircraft Sales & Charters (Licensed Commercial Pilot) from 1996 to Present (Owner Operator of PL Yon Aircraft LLC).

BIO

Peter J Privitera

Managing Director

Peter has been a CPA for most of his career and was an accountant at Price Waterhouse. Peter is also a loyal St. Petersburg Yacht Club member and boater. Peter enjoys docking his boat at the St. Petersburg Yacht Club at his slip in the south basin. Peter loves St. Petersburg and for the last 35 years he has owned Great States Mortgage Company. Peter has specialized in commercial loans and financing. Peter provides experience with both real estate and debt service on large real estate projects. Peter is married to his lovely wife Sandra, Sandy for short, and when they are not working, they enjoy airplane rides and boating.

BIO

Michael Daily

Dock Master

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Michael is an avid boater and is formerly a Massachusetts police officer. Michael was also a former contractor for the Navy underwater weapons systems. Michael brings a strong background in marina operations and design from his experience in the Navy as well as thousands of hours of boating experience. Michael also currently keeps his boat docked in the St. Petersburg marina. Being a loyal tenant of the marina has given Michael added understanding of the marina, we feel this understanding will help make it easier for our firm to mobilize after we are awarded the contract.

Proposal:

We view the current marina as in need of repairs urgently. The marina also needs renovation in the amount of $30,000,000. We want to do the repairs over the next 30 years, doing the most needed repairs and improvements first. Our firm has planned to finance these repairs and pay for them with the continued increased operating profits of the marina.

We also plan to add an insurance policy to cover the marina immediately, right now there is no insurance policy on the marina and one good storm could cost the city 70 to 80 million dollars' worth of damage to the marina. This policy we feel needs to be put in place quickly.

We plan to grow the revenue of the marina by adding larger boat slips and slowly raising slip rates to reflect the true value of the marina. The current marina has a waiting list of over 400 boats and the next closest competitor charges rates that are 40% higher for an inferior product. We plan to raise the rates to reflect the true value of the marina over the next 5 years.

We also view parking as huge revenue opportunity. The current marina offers free parking, charging for parking can be a way to quickly pick up between $600,000 and $1,200,000 in revenue with no added expense, just by charging for $40.00 per month for parking stickers.

We plan to split the revenue with the city and give 20% of all revenue generated to the city. We see the revenue raising from the improvements to the docks, changing to market rent, and charging for parking to yield the city a return of $1,438,000 million annually at around the fifth year of our lease. This would reflect a significant improvement of the $310,000 that is currently being contributed the master fund.

Our lease will not have a 38+ million dollar buyout clause like the other proposal with a guaranteed rate of return of 15%. We plan to structure and fund the improvements based mostly on operating profits of the marina allowing the city to buy our firm out for costs in the marina at any specific time. Which will be between 5 to 30 million dollars depending on improvements we make to the marina and the debt financing that we need to take on to pay for the improvements. The city will never pay us a profit if they wish to terminate or lease.

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We also will maintain a bond to cover 5 years of operating return to the city based on the current $310,000.00 contribution to the city of the current marina. This will remove any risk of nonpayment to the city by our firm.

Executed by: Peter J Privitera
Managing Director- St. Petersburg Downtown Marina
Date: 6/7/2019

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