

Hello CRA Board Members,

I wanted to first share with you the study funded by the CRA regarding the Bay Center property and the vision for its future. As we all know, this is a significant project that will shape our region for generations to come. I want to thank you, our Economic Development/CRA staff, and our community members for helping move this vital discussion forward.

I have attached the CRA's study, conducted by WT, which examines many critical factors of this project. As you may recall, the Bay Center operator, Legends, released a study a few weeks ago (also presented to the County) focused on existing and potentially new facilities located on the site. **We tasked WT with looking beyond just the facilities to examine other vital factors, including public sentiment, funding, partnership strategies, and more.**

I am also writing today to ensure that we, as the leadership of our city, are aligned and informed regarding the City's role in the Bay Center's future. **First, the City of Pensacola is the principal lessee of the Bay Center property. Our operational sublease with the County makes it clear that City approval is required for either a significant renovation or the construction of any new facilities on the site.**

Second, I believe the success and expediency of this project are best achieved collaboratively, rather than in silos. As we are aware, Escambia County is the operator, the administrator of the bed tax, and our decades-long partner on this site. The bed tax is the primary revenue source for any new or improved facilities discussed here. While these types of facilities are rarely profitable on their own, the significant bed tax generation in the surrounding area creates the true upside of these investments.

Collaboration is a two-way street. If this project is to progress, my expectation is to ensure that we—**as the City and primary property owners**—are at the table from Day 1. How our two governments handle this project together will be the determining factor in our success, affecting investment interest, timeline, and staff bandwidth. In short, if we work together from the start, we will have a better, faster, and stronger project.

The attached study also addresses something as important as the facilities themselves: how to fund or partner on a project of this scale. The roughly \$75 million in bed tax bonding will not be enough to fund anything beyond a Bay Center renovation—and perhaps not even that. If we are to "vision big" for additional facilities, public-private partnerships and federal loan programs will be paramount.

### **So, what's next?**

**I have asked WT to provide a presentation to the CRA Board during the April 6 meeting.** We will work with CRA Chair Wiggins to ensure this works. There is no request or action being proposed by the administration at this point; I simply want to ensure you have the information you need and the opportunity to have your questions addressed by our consultants. This will prepare us for a potential joint meeting between the City and County on April 16 for a collective presentation.

The bottom line is this: both this Board and this administration have an important role to play if we want to see progress at the Bay Center. I look forward to your ideas, and I am optimistic that we can

transcend past perceptions of this two-government partnership for the sake of our city, our county, and our region.

Feel free to reach out with any questions you may have.

Thank you.