



## CONTACT INFORMATION



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**Proposal to Lease and Operate ("Proposal")**

*Between*

THE CITY OF ST. PETERSBURG, FLORIDA, a Municipal Organization ("MO")

*And*

SAFE HARBOR DEVELOPMENT, LLC a Tennessee limited liability company ("SHD, LLC")

**EXECUTIVE SUMMARY**

SHD, LLC, along with its affiliate Safe Harbor Marinas, has become one of the largest and most experienced marina operators in the U.S. We have acquired and transformed 12 marinas with more than 5,000 slips over the last 20 years. We plan to remain the largest privately held marina operator in the country through continued growth by acquisition due to our substantial capital available,

Over the last 15 years, SHD, LLC has acquired, developed and currently operates a variety of high traffic and unique public spaces that accommodate over 5,000,000 guests annually. SHD, LLC is one of the largest privately-owned marina operators in the country. Our resume includes marinas, water park development and operations, hotel development and operations, RV resort development and operations, entertainment venues, multi and single-family residential developments, retail centers, restaurants, and event centers across the Northeastern and Southeastern United States. We specialize in customer service and hospitality while maintaining emphasis on the cleanliness of our operations. SHD, LLC is currently one of Margaritaville's largest development partners. This diversified development experience makes us the most uniquely qualified developer to rebuild, upgrade and enhance the St Pete waterfront as well as improving the overall experience and appearance of Harborage Marina while delivering ultimate customer satisfaction for a world class marina experience. The property is more than just a standalone marina. The unique location will require the expertise of a diversified developer able to integrate the surrounding commercial uses into the design.. This property combines shared parking, shared access, and shared restaurants all integrated into one confined area. Our portfolio of marinas are all public marinas, and most are on City, County, State or Federal Long-Term Leases. Our facilities are typically long-term leases whereby we are responsible for the operations of the facility as well as making certain capital investments into the facility during the lease term. This operating lease structure is the catalyst for our proposed agreement with MO outlined below. Given SHD, LLC's longstanding operating relationships with several municipal organizations, SHD, LLC is very familiar with this structure. It is SHD, LLC's understanding that the marina currently operated by MO, known as St. Petersburg Municipal Marina ("SPM"), needs renovation and repair and that such renovation and repair would present a great expense to MO. We feel SHD, LLC is uniquely positioned to help MO achieve such a renovation while providing MO the premium first-class facility they deserve and allowing MO to reallocate funding to other critical projects of near-term importance. It is important that a developer with broad experience will be required to integrate all stakeholders (restaurants, parking, entertainment, retail, etc.). This would not only be a marina rebuild, but a complete redevelopment project.

To provide the highest level of service for the boaters and residents of the St. Pete waterfront as well as to continue expanding the growing Safe Harbor network with first-class marinas, SHD, LLC is interested in a partnership with MO. With this stated objective, SHD, LLC is proposing to enter into an operating lease for SPM, with MO, for a total term of 20 years initial term with extension options. In consideration of such a lease, SHD, LLC would commit to providing the necessary capital for the proposed renovations as contemplated herein and reasonably approved by MO. A plan such as this would not only free up MO funds for other high-priority projects, but also provide MO with recurring rental payments and a premier marina facility that can enhance the continued growth of this outstanding waterfront community.



Thank you for your consideration of our partnership proposal. We certainly share MO's vision for what SPM could be and we look forward to your feedback and remain hopeful that SHD, LLC might form a longstanding and fruitful partnership with the City of St. Petersburg. This proposal seeks to describe the general business terms upon which MO and SHD, LLC or its affiliate (together, the "Parties") would consider entering into certain contract(s) and/or definitive agreement(s), including the Lease referenced below (collectively, the "Agreements"), governing the relationship between the Parties with respect to SPM and the related real estate and equipment operated by MO. The purpose of this Lease shall be to ensure that the St. Petersburg community is provided with the highest quality recreational boating and water access and to enhance the surrounding businesses as well as those who live and visit the area by increasing opportunities for the public (not just the Marina tenants) to enjoy this awesome asset that this City has provided.

#### **GENERAL TERMS**

##### **1. Lease by SHD, LLC of SPM from MO:**

- a. SHD, LLC is ultimately seeking a 10-year lease term along with multiple options to extend, understanding, however, that leases of that length must be obtained through a proper municipal process and/or referendum.
- b. The Lease and/or Agreements will provide SHD, LLC with necessary parking signage and access rights on and/or across MO's other properties and the right to mortgage its leasehold estate and will provide for customary leasehold mortgage rights.
- c. SHD, LLC shall have the right to set rates initially for the rental of wet slips provided that renovation construction has commenced, SHD as a private operator will seek to adjust rates to be more in line with the surrounding market rates. SHD shall have the right to set rates for the rental of wet slips so long as the annual rates are not increased by more than 10% over the prior year's wet slip rates for the first 5 years and then not to exceed 5% thereafter. For clarity, the wet slip rates may be increased beyond the respective thresholds reflected in this Paragraph 1(d) only with prior approval by MO.
- d. SHD, LLC shall undertake to offer employment to the existing management and staff.

##### **2. Dock Renovations and Placement:**

- a. The Lease shall provide for the framework and timing, under which SHD, LLC will commit to a phased approach to renovate and replace the docking infrastructure for the South Basin and Central Basin (the "Renovation"). SHD, LLC shall bear responsibility for planning and financing the Renovation proposed by Moffat & Nichol in their November 2017 Master Plan and MO shall have authority to approve such Renovation plans prior to installation, which approval shall not be unreasonably withheld, conditioned or delayed. SHD commits to a minimum capital investment of (\$30,000,000) in addition SHD seeks to work with MO to design and construct a municipal parking garage if possible, to allow for greater and easier access to this area. SHD sees parking as the largest impediment to the growth and vitality of this entire area and the success of surrounding businesses will depend on it or a municipal trolley system could be implemented as we have done in other areas.



- b. The design, approvals, permitting and entitlement process is anticipated to be complete within the first 12 months of the Lease. MO shall cooperate and commit to use commercially reasonable efforts in assisting SHD, LLC in obtaining the necessary permits and entitlements mentioned above, at SHD, LLC's expense.
- c. Renovation construction shall commence once the proper approvals and entitlements have been obtained by SHD, LLC.

**3. Rent Terms:**

From commencement the Lease and continuing for the entire term of the Lease including all renewals and extensions thereof, SHD, LLC shall pay MO an annual amount (Base rent") of \$250,000.00 subject to annual increases of 2.5%. In addition to Base rent SHD proposes to pay percentage rent equal to twenty percent (25%) of annual Gross Revenues (defined below) collected by SHD, LLC through its operations of SPM, subject to (RENT OFFSETS) defined in 3(a) below. For purposes of the Proposal and the Agreements, Gross Revenues shall be defined as the sum of all monies collected by SHD, LLC through operations of SPM, excepting however, that all fuel sales and retail sales shall be calculated at 2.5% of Gross Revenues.

- a. Rent Offsets will be the amortized amount per the level of capital investment required (\$30,000,000 minimum) and will apply only to percentage rent and no offsets will be applied to Base rent.

**4. Termination and Cancellation:**

MO shall have the right , upon payment of Termination Fee (described below), to terminate the Lease without cause after the base term subject to termination and cancellation provisions to be further defined in the Agreements (the "Early Termination Right"). If MO declines to grant SHD, LLC's request to extend/renew the Lease at the end of the then-current term on the same terms as the original Lease, provided no uncured defaults by SHD, LLC then exist under the Lease (beyond any applicable notice and/or cure periods), MO shall pay SHD, LLC an amount based on an appraisal of the SPM as a going concern (the "Termination Fee) and any unamortized capital improvements. The Termination Fee shall not apply in the event the early termination is for cause, which language shall be further defined in the Agreements.

Sincerely

  
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Darby Campbell  
President  
Safe Harbor Development



# SAFE HARBOR DEVELOPMENT PROFILE

## LOCAL ROOTS

Our deep roots, experience, and knowledge of the state and the relationships that we have built give us a competitive edge when it comes to conducting business in Tennessee. Our company is based in Knoxville, and our leadership and team are local and accessible, giving us the ability to respond quickly for the benefit of our clients and partners.

## WATER PROJECT SPECIALISTS

The developers have a sizeable portfolio of diverse projects. However, as one of the largest marina developers in the country, the team is uniquely qualified and has a particular affinity for waterfront projects. Their depth of experience and long-standing relationships with The Tennessee Valley Authority and The Corps of Engineers are unmatched when it comes to doing business in this area, and would greatly benefit this project.

## INDUSTRY-SPECIFIC EXPERTISE

Safe Harbor Development develops and operates projects in a broad range of industries including Marinas, Hotels and Restaurants, Entertainment Venues, RV Resorts, Multi-family and Single Family Residential Developments, and Retail Centers. From feasibility and construction to completion and operation, Safe Harbor has an experienced and talented team of industry-specific management specialists, construction managers, real estate professionals and financial advisors to launch and sustain successful projects.



## LEADERSHIP - DARBY CAMPBELL, PRESIDENT

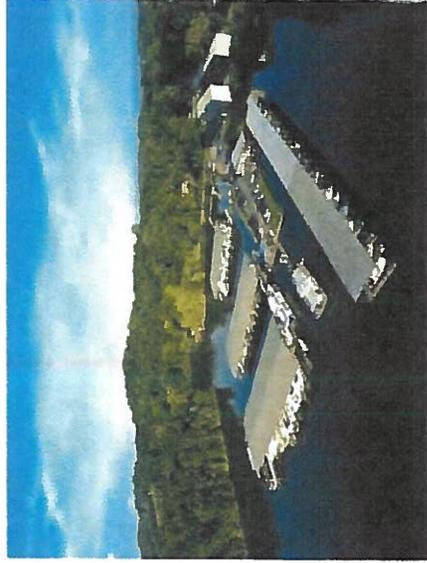
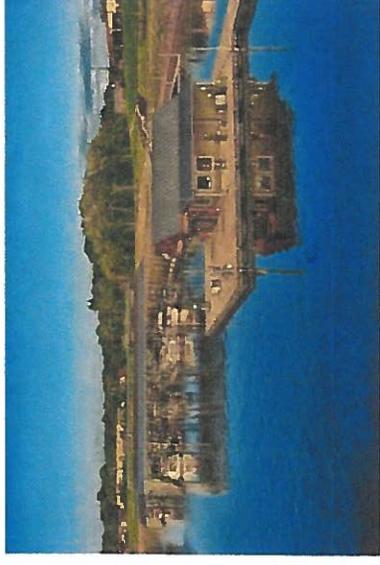
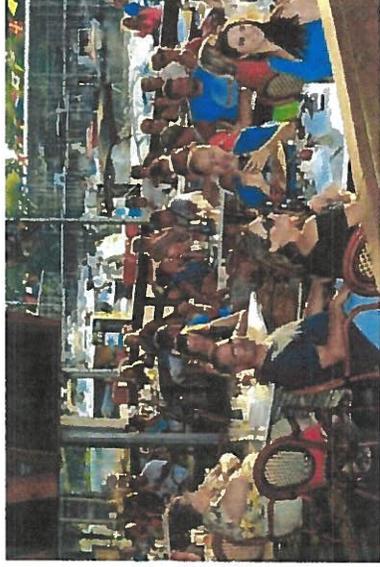
Darby Campbell has deep roots in the Knoxville area; this is where he and his family live and where his business is based. His career began in residential construction and development and then expanded into the development of marinas up, mixed-use developments, retail, entertainment venues, hotels, and restaurants.

His company's sizable portfolio of projects is diverse, encompassing everything from marinas and real estate to hotels and restaurants and retail; however, he has a particular affinity for waterfront projects and is uniquely qualified to develop them. In his words, "water is magic," and he has defined that belief by developing successful marina projects in the Southeast, Midwest, and Northeast. Campbell and his team are dedicated to protecting our waterways through conscientious operation and sound recreation. His depth of experience and long-standing business relationships with The Tennessee Valley Authority and The Corps of Engineers are unmatched when it comes to doing business in this area. When developing waterfront property or enhancing existing waterfront marinas, Darby Campbell is a thoughtful steward of nature, a visionary with a unique grasp of the profit potential, and an insightful and successful entrepreneur.

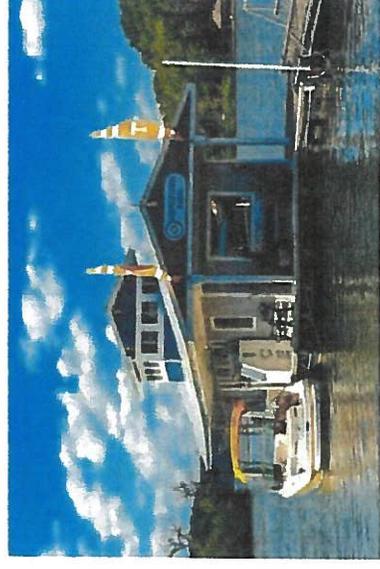
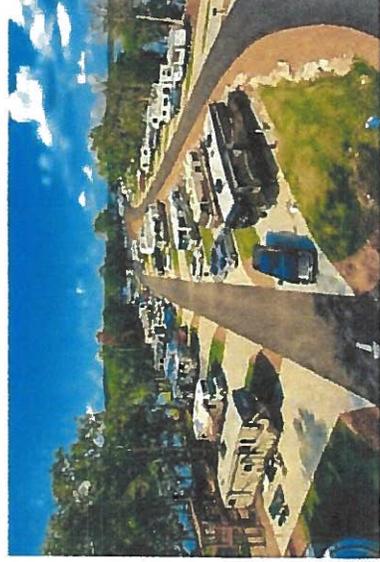
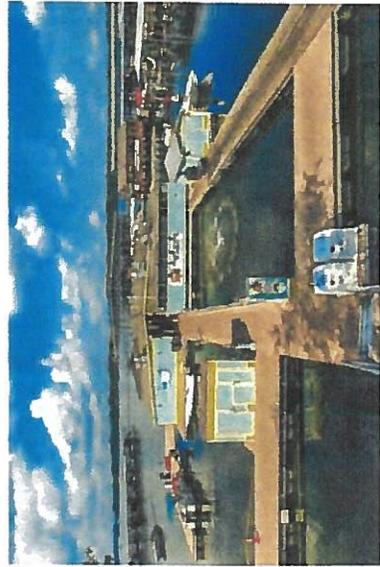
Darby Campbell is committed to developing profitable projects that enhance their surroundings and are a source of pride for all stakeholders.



# PROJECTS: MARINAS AND WATERFRONT



Safe Harbor Development LLC is the largest developer, private owner and operator of marinas in the Southeast. We specialize in marinas that offer the finest boat slips, restaurants, and amenities to facilitate a safe and enjoyable waterfront experience. Experienced Harbor Masters manage all marinas and are staffed by a dedicated team of professionals who deliver reliable service both on and off the water. Our passion for water goes beyond providing an exceptional marina experience. We are dedicated to protecting our waterways through conscientious operation and sound recreation.

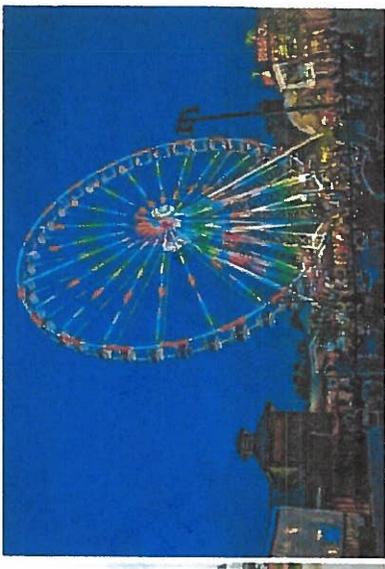
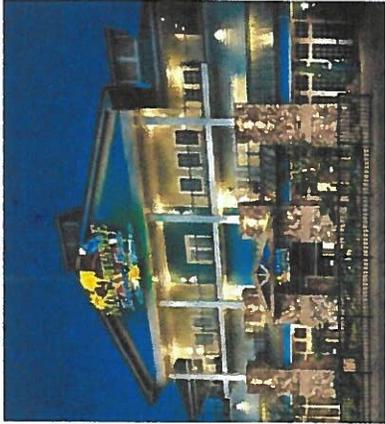


## PROJECTS: HOSPITALITY AND ENTERTAINMENT

Safe Harbor in collaboration with our hospitality company Marlin Hospitality Group develops, owns and operates Margaritaville-branded hotels and independent properties. In partnership with Diverse Concepts, Safe Harbor Development also owns and operates restaurants. Some of the brands we operate are Lakeside Tavern, Mellow Mushroom, Starbucks, Johnny Carinos Italian, Texas Roadhouse, and Paula Deen's Family Kitchen.

One of our largest projects, The Island, a \$150M, 250,000 sq. ft. entertainment and retail complex in the heart of Pigeon Forge has brought hotel rooms, retail, restaurant, and entertainment to the area in an attractively designed multi-use complex. The project has been a significant game changer for the City of Pigeon Forge; effectively changing the demographics and increasing the average spend of visitors to Pigeon Forge.

Safe Harbor Development also developed The LeConte Center, a \$50M, 250,000 sq.ft. multi-function events center in Pigeon Forge that can accommodate groups of 10,000+ people.



# SAFE HARBOR DEVELOPMENT PROJECTS

## WATERFRONT

Concord Marina  
Louisville Landing Marina  
Caney Creek Marina  
Elm Hill Marina  
Drakes Creek Marina  
Blue Turtle Bay Marina  
Clarksville Marina  
Waterfront Marina  
Buffalo Harbor Marina  
Bay Harbor East & West  
Perry's Landing

## HOTELS

Inn on The River, Pigeon Forge (140 rooms)  
Margaritaville Island Hotel, Pigeon Forge (136 rooms)  
Margaritaville Nashville Hotel (221 rooms)  
Margaritaville Island Inn, Pigeon Forge (110 rooms)

## ENTERTAINMENT

The Island Entertainment Complex - Pigeon Forge  
Lanier World - Lanier Islands, Georgia

## RV RESORTS

Caney Creek - Harriman, TN  
Safe Harbor RV Resort at Elm Hill - Nashville, TN

## MULTI-FAMILY

The Preserve at Hardin Valley (300 units)  
The Villas on Wallace Rd (100 units)

## RESIDENTIAL

Brigadoon Lakefront Community  
Hardin Valley Farm Development  
The Preserve at Hardin Valley (300 units)  
The Villas on Wallace Rd (100 units)

## RETAIL

Teaster Crossing 36,000 sq. ft. Pigeon Forge  
Mellow Retail Center 45,000 sq. ft. Gatlinburg  
The Island 250,000 sq. ft. Entertainment Complex  
Freestanding Retail Buildings (Starbucks, Mellow Mushroom,  
McAllister's Deli, Texas Road House, Sonic)  
Hardin Valley

## RESTAURANTS

(3) Mellow Mushrooms  
(2) Sonics  
Lakeside Tavern  
Liberty Park Grill  
Blue Moose  
Johnny Carino's  
Bullfish  
Paula Deen's Family Kitchen  
Timberwood Grill

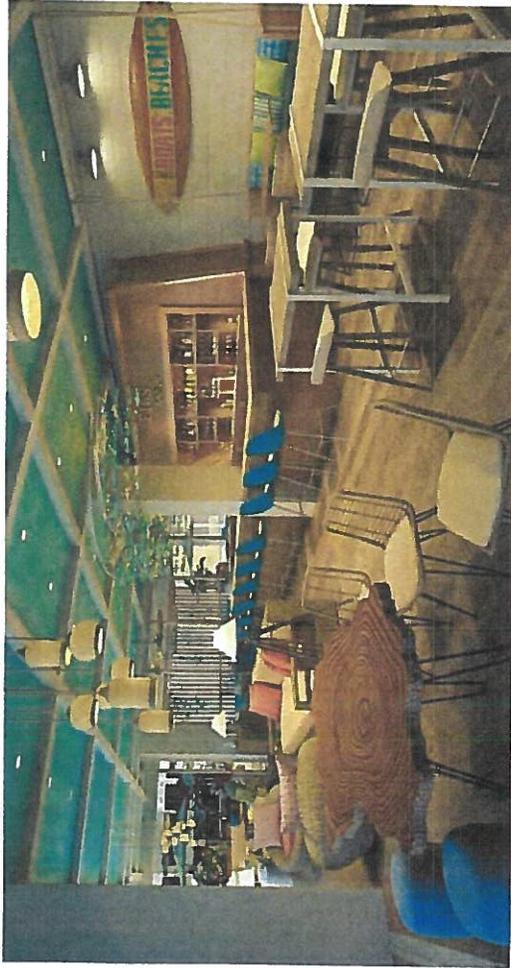


# CURRENT PROJECTS: MARGARITAVILLE HOTEL NASHVILLE

## MARGARITAVILLE HOTEL HOTEL AND FOOD & BEVERAGE OUTLETS

Margaritaville Hotel Nashville is under construction in the SoBro district, one the newest areas of development and renovation in Downtown Nashville.

Opening Summer 2019, the 216 room hotel will be a hip, island riff on Nashville's diverse music scene. Amenities will include a lobby bar and restaurant, rooftop pool and bar, meeting/event space and a Starbucks coffee shop. The rich history and musical legends of Nashville will be artfully woven with the understated comfort of a tropical escape creating a unique hotel experience with urban latitude and island attitude.



Fins Rooftop Pool Bar at the Margaritaville Hotel Nashville opening early 2019.





May 15, 2019

To Whom It May Concern:

Mr. Darby Campbell and/or Safe Harbor Development, LLC has a long standing relationship with Mountain Commerce Bank. MCB values the relationship we have with Mr. Campbell. Mr. Campbell has the financial ability to receive additional capital from MCB equaling \$5 million for a future project.

If you have any questions, please do not hesitate to contact me directly at (865) 694-5708.

Sincerely,

Connie E. French  
Sr. Vice President  
NMLS ID# 916405  
[Connie.french@mcb.com](mailto:Connie.french@mcb.com)

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