

WMS DEVELOPMENT GROUP LLC

November 7, 2022

A. Jerome Fletcher II, ICMA-CM, MPA

City Manager of North Port

4790 City Hall Boulevard

North Port, FL 34286

Office: 941.429.7076

www.cityofnorthport.com

RE: City of North Port, Florida and WMS Development Group LLC Public Private Partnership for Warm Mineral Springs Redevelopment Project

Unsolicited Public Private Partnership Detailed Proposal

Dear City Manager Fletcher:

WMS Development Group LLC (“WMSDG”) is pleased to submit an unsolicited public private partnership detailed proposal for Public Private Partnership (“PPP”) with the City of North Port, FL (“The City”) for a portion (+/- 21 acres) of the property known as Warm Mineral Springs (PID: 076-907-0014) (“WMS”). WMSDG is committed to work in partnership with the City to renovate the existing facility in accordance with the Plans and Specifications already prepared for the project (“Phase I”). WMSDG proposes to enter into a long-term (99 year) net lease with the City to operate the facility (the “Lease”). WMSDG’s vision is to further enhance WMS as both a health & wellness destination and a public community amenity area by executing on a development plan for the adjacent +/- 62 acres (“Phase II”) of land owned by the City. This proposal details the plan for both the “PPP” for the WMS and the acquisition of Phase II by WMSDG.

It is the intent and vision of the WMS to honor the history of the WMS, further enhance health and wellness around the WMS, and to create a community and recreation zone. WMSDG’s re-development plan will allow for the citizens of North Port, the surrounding communities via the Legacy Trail, and visitors from around the world to have access to both WMS, the additional health and wellness facilities, and community focused amenities which WMSDG will develop on Phase II. Further, since the devastation of Hurricane Ian to WMS, the restoration and full re-opening of the property is of great importance to WMSDG.

As stated in your letter to WMSDG, dated November 4, 2022, the City Commission accepted WMSDG’s conceptual proposal for substantive review on September 12, 2022 and you have preliminarily assessed that WMSDG’s conceptual proposal met certain requirements to continue your review of WMSDG’s proposal under the PPP statute. Your letter requested that WMSDG submit this Unsolicited Public Private Partnership Detailed Proposal. Pursuant to the North Port code relating to Public Private Partnerships, this detailed proposal has certain specific requirements which are set forth below and addressed by WMSDG below each of the PPP requirements .

Sec. 2-420. (c) - Public-private partnerships (P3).

(4) An unsolicited P3 detailed proposal must contain information sufficient to inform the city about the detailed quality and character of the proposed P3 qualifying project, the detailed experience and capacity of the private entity, and the detailed financial and implementation strategies to ensure

successful project delivery. This information must include the following:

- a. A description of the private entity, including name, address, website, type of organization, legal structure, and portfolio of prior projects.

WMSDG is a single purpose entity and Florida limited liability company, formed for the PPP with principals that all bring relevant skill sets to the project.

1. **WMS Development Group LLC**
2044 Constitution Boulevard
Sarasota, FL 34231
2. **Website:** WMSDG requests on utilizing the City's website for Warm Mineral Springs in addition to websites acquired that may be used to include: www.the-wms.com, www.wms-resort.com, and www.thenpspringscenter.com.
3. **Legal Structure:** A "member managed" Florida limited liability company will be the ground lessee under the PPP 99-year, triple net land lease between WMS and The City, with an affiliated entity of WMSDG owning the Phase II Property.
4. **Ownership:** The Partners of WMSDG are Ashley Barrett Bloom LLC (Principal Individuals are Ashley Barrett Bloom and Stacey Bloom) and Alessio Ventures of FL LLC (Principal Individuals are Michael Alessio, Frank Delfileps, and Michael Makinnon).
5. **Portfolio of Prior Projects:** A relevant sample of projects have been listed below in the resumes of the key members of the

project team. Since the ownership team has owned and/or operated hundreds of properties, further detail can be provided upon request.

- b. Name and complete contact information of the primary point of contact for the P3 detailed proposal;

Ashley Barrett Bloom

2044 Constitution Boulevard

Sarasota, FL 34231

941.961.7109

abloom123@gmail.com

- c. Names and experience of proposed key project personnel;

The key personnel for this project are Michael “Mickey” Alessio, Ashley Barrett Bloom, Frank Delfileps, and Michael MacKinnon.

Each member of the team has a long track record in their area of specialty which will serve the WMS project. Each member of the team has based their success on an attention to detail, hard work, and family & community orientation. The project team has a shared vision for the WMS project. The team is working together on a myriad of other projects both in Southwest Florida and nationwide. They have found that their diverse skills and business values mesh well together. The members of the team are owners, investors, and developers of projects together and apart.

In terms of the WMS project, Alessio provides expertise in civil and horizontal construction as well as vast large scale project experience. Alessio also has significant back office and management resources. Bloom provides the local market expertise and entitlement experience to the project. Bloom also has developed a health and wellness destination resort in his career. Frank Delfileps has expertise in materials and vertical work. Delfileps also has the facilities management & maintenance background to ensure long term quality of the property. Mackinnon provides significant financing capabilities, professional designation as a P.E. and LEED AP, and large project experience.

Aligning these roles, the group separates themselves from typical developers as they generally self-perform and directly manage their projects. This allows them to control developments costs and time frames better than their competitors. The team looks at the WMS as a very long-term project, so development and maintenance will be a priority from the onset of the project.

The group has recently acquired and opened offices jointly in southwest Florida (Downtown Fort Myers) which has enhanced the cohesiveness of the operation. Further, Alessio is under contract on land that may provide a local office operations site.

The key personnel will be providing 100% of the equity and bonding requirements of this project and will not seek outside investors in Phase I.

Michael “Mickey” Alessio | Site Construction & Development

Michael “Mickey” Alessio is a principal of Alessio Companies which was established over 60 years ago. The company specializes in the field of construction and development.

Alessio is committed to exceeding the standard for his clients. The company provides comprehensive services that range from the purchase and development of land and renovation and leasing of existing facilities. Alessio provides you a whole team approach with a professional accounting staff, architects and civil engineers, knowledgeable managers and experienced field personnel with dedication, motivation, and wisdom of our leaders. The Alessio Companies Team includes three core family offices: the Alessio Family, Heidner Properties and VDR development group. Together the three families manage and/or own over **one billion dollars in assets**. In the last four years, they have opened over 120 retail locations. Alessio self-performs management and maintenance on 250 locations. Together we have built a fully integrated development company.

Recent and Relevant Developments from the Portfolio of Properties

159 Acres at State Road 82 and Interstate 75 | \$300 Million Development

The land was owned by Buc-ee’s, a Texas-based gas station and convenience store chain that decided against developing the site due to traffic concerns.

Alessio’s master plan for development includes 48 acres of conservation and mitigation of wetland area, 800 units of multi-family and townhomes on 53 acres. Also, on 47 acres there will be 500,000 square feet of light industrial. During the 160 days of due-diligence, Alessio concurrently completed most of the engineering. This gave Alessio the ability to begin the site clearing one week after the closing. The total development cost for this project is 300 million for the city of Fort Myers.

Royal Palms Square | Fort Myers Live Work Play | \$250 Million Development

In June 2022 Alessio closed on 15 acres in Middletown Fort Myers area. Alessio plans to create a Village Style Community which will include housing, entertainment, and retail all within walking distance. The total cost of development for this project will be 250 million. In the last few months, purchase of multiple

retail locations in Port Richie and Tampa Bay. Both sites currently have built outs in place for tenants and occupancy ready in upcoming weeks.

Field of Dreams | Project Heaven | \$80 Million Expansion

This \$80 million expansion will add nearly 100 acres to the original 190-acre site. That additional land will provide space for nine new baseball fields, dormitories for youth teams, and a hotel to be completed in phases by the end of 2023. Other additions include a 100,000 square foot field house, an outdoor concert amphitheater, a recreational vehicle park, jogging trails and a large park inclusive for children and adults with disabilities. These additions will be completed in phases through 2025.

ASHLEY BARRETT BLOOM | Project Management & Entitlement

Ashley Barrett Bloom has been affiliated as an owner, investor, and broker in the City for nearly 20 years. Most notably, Mr. Bloom not only sold land to a large affordable housing project in North Port, he also helped facilitate some federal funding for the project. He grew up in Coral Springs, FL and has always seen the City as being a place on the west coast that could provide a great, family friendly community.

Mr. Bloom has personally established his practice as a land expert locally, regionally, and nationally. To further add value to clients, Bloom has taken on the role of owner's representative in the entitlement process of multiple projects. With a long history in land development, Bloom has extensive relationships with industry professionals as well as buyers of both residential and commercial land. In 2020, Bloom was ranked in the top 11 of around 1,600 advisors across the country.

Mr. Bloom was also named the SVN National 2019 Humanitarian of the Year for his work in Community & Charity. Bloom has created a full service commercial real estate operation combining a strong network of 5 Offices in Southwest and South Florida, +/-40 experienced advisors and administrators, and a spirit of collaboration. Bloom works on a portfolio of commercial and residential tracts in size from 1 acre to several thousand acres. His listing clientele includes large equity funds, national banks, land investment groups, generationally family-owned tracts, regional & national developers, and single investors. Bloom has a strong nationally based list of buyers that include local, regional, and national investors & developers.

Bloom has been developing real estate for almost 25 years in Florida, North Carolina, and Arkansas. Prior to developing real estate, Bloom worked for Coopers & Lybrand LLP in the Financial Advisory Services division where he obtained his Certified Public Accountant's (CPA) license. Bloom's relevant experience in this role included litigation support services, acquisition due diligence, and financial modeling. Mr. Bloom has also served on an advisory board of a small community bank in South Florida. Mr. Bloom proudly serves on the Board of the American

Foundation for Suicide Prevention in Southwest Florida. Mr. Bloom was honored nationally in 2020 for having the most improved event in a small market.

Recent and Relevant Developments from the Portfolio of Properties

Spa Atlantis – Pompano Beach Florida

Acquired in 1998, Bloom and his father acquired an existing hotel on the beach in Pompano Beach, Florida. Based on the renowned health and wellness book titled “Fit for Life”, Bloom and his father entitled a new location and development a 10-story facility which was later sold upon completion. However, in the success of the operation, Bloom assembled a team of health and wellness professionals to provide programming.

Port 75 Commons | 45,000 Square Feet of Flex Warehouse in North Port

Acquired in 2005, Bloom and his partners acquired the land via a 1031 exchange. The property was entitled into 3 separate phases of 15,000 feet of flex warehouse. The first 15,000 feet was constructed in 2006 and the remaining site has full infrastructure. The great recession halted the development of the remaining portion, but the group is re-evaluating the project.

Toledo Crossings | 8 Acres Two Parcels with a Master Site Plan in North Port

Acquired in 2019, Bloom and his partner acquired the land and looked for end-users. Currently, the site is under contract for a mini-storage facility and is finalizing a lease for a hardware store. The remaining parcel has significant interest for a retail use.

Pan American Development | 47 Acres Split into 3 Parcels in North Port

Acquired in 2016, Bloom and his partner acquired the land as one (1) parcel and proceeded to split the land into three (3) separate parcels. The first parcel was sold to an affordable housing development in 2021. This group is working towards a 2023 construction. The second parcel was sold to the City of North Port and will be development into the new home of utilities. The remaining parcel has no current plans.

FRANK DELFILEPS | Supply, Vertical Construction, & Facility Management

VDR Development Group /Glendale Supply (Both-MBE Certified Businesses) – Vincent Ramos and his brother Frank Delfileps started working for their father’s painting company, Ramos and Sons, at a very young age. Together with their team they have built a design build firm, which is one of the only vertically integrated companies of its kind. They design, build, and supply majority of their own

materials to jobs which allows them more control over developments than other firms. They have built & developed over 175 units in Chicago and surrounding suburbs just in last 9 years, as well as supply many of the area builders and developers with materials.

VDR Development Group has eclipsed over 1,000,000 square feet of commercial development reaching 15 states. Their presence in the retail space is vast, working with several national tenants through their developments nationwide. A niche they have been able to cultivate is in the cannabis space working with the nation's largest MSO & publicly traded companies. Frank is the director of new construction retail for Verano Holdings, an industry leader. Together they have opened over 117 retail locations in last 4 years, with over 1,000,000 sq ft of built-out cultivation canopy.

Through growth and wanting to maintain a high level of property maintenance, the management company Elite 1 Service was formed internally. It is a nationwide facilities maintenance company that services over 150 retail locations and over 250 different tenants for Verano Holdings, Alessio Development, and other national developers/ owners spanning 14 states.

Elite 1 hired Maria Vuggica as Director of Facilities. Maria experience spans 22 years in the real estate, maintenance, and management side of the business. She managed over 1800 units, and 150 vendors at her last company. Together with her expertise and experience Elite 1 Service has be able to scale quickly, and cultivate relationships with over 200 vendors. Ms. Vuggica will assist in oversight at WMS.

Recent and Relevant Developments from the Portfolio of Properties

Multi-Family | 175 Units in Illinois

In the past 9 years, Delfileps has developed 175 units in Chicago and the surrounding areas. This has been done in 19 different properties.

Retail Tenant Development | Regional & National Tenants

Development for regional and national clients has occurred across the country. These clients include Starbucks, Verano, State Farm, Subway, Great Greek, Temperpedic, Zen Leaf Dispensary, Kava Kulture, MUV Dispensary, Portillos, Omni Gym, and Teriyaki Madness. Serving the national retailers includes ensuring budgets and timelines are achieved.

MICHAEL MACKINNON P.E., LEED AP | Finance, Engineer, & Environmental

Mike heads the Heidner Family Office, based in Hoffman Estates. The Heidner family has created several businesses that have grown substantially over the past 40

years, including Gold Rush Amusements, Ricky Rockets Fuel Centers, Heidner Properties, and Prairie State Energy. Mike's primary role within the family office includes the development and financing of new retail projects across the United States. The Heidner family has over **250 retail real estate** holdings, including marquee properties such as the **Field of Dreams, Movie Site, and the Arboretum of South Barrington**.

Previously, Mike was a partner with Bluestone Single Tenant Properties, LLC. Mike was responsible for the acquisition, development, and construction of its projects. Mike developed several strategic network plans for retailers, selecting the core trade areas to focus new store development. Utilizing his civil engineering background, Mike specializes in the development of complex properties with wetland, floodplain, soil, environmental, access, and title issues. He also managed the construction of medical office, retail, and fuel center projects across the country. Mike's unique background and attention to detail allows him to recognize opportunities to reduce costs and value engineer architectural and civil engineering plans for his clients.

Mike began his career with Kimley-Horn and Associates, a national civil engineering firm based in North Carolina. During his tenure with Kimley-Horn, Mike designed and managed the zoning entitlements for numerous Murphy Oil gas stations and Advanced Auto Parts in the Midwest and Texas.

After Kimley-Horn, Mike worked for Ryan Companies, a real estate development and construction firm. Mike managed the design, due diligence, and permitting & entitlement for numerous projects at Ryan. His role during his tenure at Ryan morphed into real estate development, where he assisted in the management of three large industrial parks and the development of 120,000 square feet of medical office.

Mike is formerly a real estate manager for Louisville-based Thorntons Inc., a 190-unit chain of convenience stores and fuel centers in the Midwest and Florida. During his tenure with Thorntons, Mike managed new store development for the company in the metro-Chicago market which included negotiating the land acquisition, coordinating the design consultants, obtaining the necessary permits and zoning entitlements, and handing the projects to the construction team. Mike also developed the company's competitor analysis for its store network in Illinois.

Mike holds a bachelor's degree from Marquette University's business school, and also graduated summa cum laude in civil engineering at the University of Wisconsin-Platteville. In addition to his professional career, Mike is a past-president of the Illinois Section of the American Society of Civil Engineers, and currently is an officer of a local sports program and commissioner of his son's boy scout pack. Mike resides most of the year in Chicago and part time in Orlando with his wife and twin children.

- d. Type of support needed, if any, from the city, for example, facilities, equipment, materials, personnel, financial resources, etc.;

1. **Facilities, Equipment, and Materials:** The City will provide the current WMS facility in an 'AS IS' condition pursuant to the Lease and assign any Hurricane Ian FEMA or insurance proceeds to WMSDG except for a reimbursement of any expenditures related to storm repair made by the City.
2. **Personnel from The City:** WMSDG will interview personnel from the existing management company and potentially employ certain existing staff members. WMSDG requests support from relevant departments of the City including Parks and Recreation, Planning and Zoning as well as the city commission will have to approve the permitting requirements of the project. WMSDG requests that the City initiate the required Comprehensive Plan change and Zoning as outlined in this proposal. WMSDG also requests expedited or "fast track" permitting so that the full operation of the property can be opened to the Public as quickly as possible.
3. **Financial Resources:** WMSDG requests that the City contribute the \$9,345,471 that has been allocated to the project plus an assignment of the FEMA or insurance proceeds related to Hurricane Ian except for a reimbursement of any expenditures related to storm repair made by the City. These will be the first funds applied to the project based on approved construction draws. There will be no further capital expenditures or repairs made to the facility by the City. The City will no longer have any financial responsibility for Warm Mineral Springs.

e. Identification of any proprietary data used and the manner in which it is used;

None, other than internal, proprietary cost and financial models.

f. Identification of any outside entities or professionals the private entity has or intends to consult with respect to the project;

1. **Engineer: Ensite Engineering**
2. **Engineer: Kimley Horn**
3. **Legal: Stearns Weaver Miller Weissler Alhadeff & Sitterson**
4. **Facilities Management: Elite I Service – Internal Company**
5. **Property Management: Elite 1 Service – Internal Company**
6. **Architect including Landscape: Identified Two Firms**
7. **Hotel Consultant: Reveille Hospitality**
8. **Health and Wellness: Will Seek Director of Programming**
9. **Environmental: Interviewing Two Local Firms**

10. Archaeologist: Intends on speaking to County Archaeologist and Private Consultant

11. General Contractor: Interviewing 2 Firms with Large Project Experience

12. PR & Marketing: Spiro & Associates

- g. The names of all other federal, state, or local agencies receiving the same proposal;

WMS will only be submitting to the City under this detailed proposal.

- h. Identification of any anticipated or pending litigation, claims, or controversies that impact the project, and the scope of the potential impact for each;

None known or anticipated.

- i. A complete discussion of the objective of the project, the method of approach, the nature of the anticipated results, and the characteristics that make it a P3 qualify in project worthy of pursuit by the city;

PHASE I – Springs Zone: Renovation of Existing Property to City Plans & Specifications – The objective of the PPP (specifically Phase I of the WMS development) is to fund the additional required capital and perform on construction of the existing plans and specifications that have been designed by Kimley Horn for the City. WMSDG will arrange for a labor and performance bond to ensure the work and will be providing 100% of the required funding in Phase I. The method of approach includes utilizing the management team for the expertise, self-performing on development work, and self-managing the ongoing operation to ensure the quality of the facility and property. WMSDG anticipates that the result of the PPP will provide the public a facility and operation far exceeding the existing condition and services of WMS (pre-Hurricane Ian).

Existing Renovation Plan: Through the efforts of The City, a renovation plan has been prepared with a full set of plans. WMSDG has reviewed those plans and is agreeable to execute the construction and renovation that these plans call for. WMSDG would work in conjunction with The City to commence construction as quickly as possible upon the closing of the proposed PPP transaction. To the extent additional enhancements or efficiencies to the existing plans are attainable, WMSDG is agreeable to

have The City have reasonable oversight and approval of such changes. For instance, WMSDG may further enhance the landscaping and/or provide additional infrastructure capacity where it makes sense.

Funding over \$9,345,471 Million Dollar allocated from City of North Port: WMSDG will fund, without debt or outside investment, the entire cost of the project over and above the \$9,345,471 million allocated by the City plus an assignment of the FEMA or insurance proceeds related to Hurricane Ian except for a reimbursement of any expenditures related to storm repair made by the City. The pre-Hurricane Ian estimate was \$18 million dollars which would require approximately \$9 million dollars of additional funding by WMSDG. In lieu of repayment of the additional funding, the City will deed the Phase II property (62 acres) to WMSDG upon the closing of the PPP and issuance of the Labor and Performance Bond.

Labor and Performance Bond: In order to provide The City financial assurance that the Phase I work will be completed, WMSDG will provide a Labor and Performance Bond in the amount 18 million dollars upon the removal of Land Use & Activity Center Contingency which can be post close of the PPP.

99 Year Lease via Public Private Partnership: WMSDG proposes that the transaction be structured in the context of a 99-year net lease with the City to operate & maintain WMS (the “Lease”). Considering, the vision to operate WMS on a long term, perpetual basis and at a standard that the property deserves, it is vital to ensure the property is maintained at a high standard. WMSDG has the experience, the financial resources, and commitment to the project to ensure this occurs.

PHASE II – Resort & Wellness Zone, Recreation & Community Zone, & Destination Residential Zone. All items listed below are conceptual and subject to final site planning and final feasibility analysis.

Resort & Wellness Zone: The intent of this zone is to enhance the access and programming to WMS with a resort and expanded facilities to allow for a full-service health and wellness destination.

Resort Facility: In conceptual planning, a resort with 250 rooms which would be directly adjacent to the Phase I WMS zone. The resort will feature a full-service spa and event space to go along with food and beverage outlets. A landscape architect will be engaged as part of the team to ensure the views into WMS are not uncomfortable to those who use it.

Wellness Center: To facilitate a holistic wellness program around the spring. This will include education, classes, and treatments in a variety of holistic approaches. In concept, there may also be garden area dedicated to naturally occurring medicinal gardens.

Restaurant(s): There will be an on-site restaurant (and food & beverage outlets) that will be designed to honor the history and the region.

Conceptually, a restaurant featuring local seafood, meat, produce and vendors in a manner that integrates the focus on health & wellness is thought to be a foundation of this zone.

Florida Friendly Gardens and Plantings: In part of honoring the land, there will be a focus on Florida Friendly Plantings throughout the entire Phase II. However, it is WMSDG's intention to provide gardens on the property which will be integrated into the resort and/or community. Further, WMSDG will not use exotic plantings and will focus on mitigation to the extent feasible in the development.

Native American Museum: Land will be allocated and constructed for the creation of a Native American Museum in this zone.

Recreation and Community Zone:

Community Amenities: It is important to WDG to have the residents of The City to not only access WMS, but also have community amenities built into Phase I. Conceptual ideas include walking and/or fitness trails, community performance area, dog park, and easy connection to the legacy trail.

Natural Amenities: A large component to this zone is going to be interaction with the outdoor and natural environment. A landscape architect will be engaged to design landscape to maintain this ideal. Again, Florida Friendly plantings and habitat will be a focus of this aspect.

Entertainment Amenities: A mini-golf and entertainment venue will be planned into Phase II. The concept will ideally allow connection via the Legacy Trail (including pathway onsite) and access to the North Port Community. This venue would be designed into the same theme of the entire project. This site would serve various members of the community to include family entertainment, business & team building venue, and certain evening entertainment. Further, the plan will include other amenities such as bike rentals, ice cream shop, and other items related to the use of this zone.

Recreational Amenities: Possible recreational amenities include tree line ropes course (with a view of the property and WMS), ground ropes course, fitness trail, and other family-oriented experiences. There also will be planned amenity space within the resort to handle banquets, gatherings, weddings, and other events that would be available to the community.

Destination Residential Zone: It is the intent of WMSDG to provide an additional form of housing at WMS. The vision is a form of residential living that would expand the average stay for longer periods than those typically seen at a resort. Given the international appeal of WMS, it is anticipated this zone will be highly appealing to those who live internationally. This will allow those who wish to experience the WMS lifestyle for longer to do so.

+/- 300 Destination Residential Units: The units will be designed & amenitized for an extended stay (i.e. monthly or seasonally) type of occupant. The units will be marketed for sale. Given the popularity of WMS internationally, it is anticipated that the units will be marketed outside of the US for both owners and occupants.

Vacation Rental Program: WMSDG will provide a management program and operation for the owners of these units. The concept allows for owners and occupants to have a professional management company handle the booking, renting, and operation of these units.

Anticipated Result and Characteristics Making the Proposal Worthy of Pursuit: The net lease proposal provides the City with predictable, increasing rental revenue for the long term (99 years). Further, it eliminates any capital expenditures, management, or financial risk of the operation. Further, it provides the funding, without third party investment or debt, to bring the existing facility & operation up to a standard that the property & residents deserve.

Further, the development of Phase II with private development will substantially increase the ad valorem tax base for real estate currently not providing real estate tax revenue to the City . The site will also benefit the City in terms of sales taxes from the hotel and other commercial operations. Also, creating WMS as a world-renowned Health and wellness destination will certainly have a ‘multiplier’ effect on other business within North Port as those visitors will not be exclusive to the WMS project.

The operation will create hundreds of jobs that the residents of North Port will likely fill. Given the significant portion of the City’s residents who commute to work, this is a valuable benefit to the public. The public will also have free and paid for amenities that will preserve the honor and integrity of history of the area. The connection to the Legacy Trail will help provide even better access to the site.

The characteristics described above of both Phase I and Phase II certainly make the WMSDG proposal worthy of pursuit by the City.

- j. A detailed overview of the proposed business arrangements, including the plan for the development, financing, and operation of the project;

Business Arrangement: The PPP and acquisition of Phase II is proposed as follows:

99 Year Land Lease: WMS Development Group LLC will agree to the Lease with the City. The Lease payment shall be \$300,000 per year or \$25,000 per monthly with a 2% Annual increase.

Land Use / Activity Center: The deed to 62 Acres transferable upon providing Labor and Performance Bond for the completion of Phase I.

Closing: The closing shall take place not more than 60 days after the removal of contingencies mentioned below.

Financing & Equity of the Project: WMSDG shall fund the 100% of the equity portion of Phase I without any sort of third-party debt or financing.

Development & Renovation of Phase I Drawings: WMSDG will target to commence the renovation of the existing property within 60 days of closing the “PPP” subject to the issuance of applicable permits. The City will fund the first **\$9,345,471 million allocated by the City plus an assignment of the FEMA or insurance proceeds related to Hurricane Ian except for a reimbursement of any expenditures related to storm repair made by the City** based on a percentage of completion and monthly draws that will be verified/approved by Kimley-Horn. Insurance proceeds related to Hurricane Ian will be contributed to the project upon receipt assuming the PPP has been closed.

NNN Lease on Phase I: Within 60 days of the closing of the PPP, WMSDG Development Group LLC will be financially responsible for the operation with the City getting a fixed monthly net lease payment.

Due Diligence and Entitlement for 62 Acres: Upon final approval (after the 45 solicitation period and city commission vote) of the PPP, WMS Development Group LLC shall, at its own expense, commence due diligence on the 62-acre Phase II of the project. The due diligence shall include wetland, environmental, soil, geo-tech, historical, and other site condition studies. Further, WMSDG shall begin the process to ensure the land use, zoning, and master planning of Phase II. WMS Development Group LLC shall not to exceed 120 days to complete such study prior to closing the PPP. It is the intention of WMS Development Group LLC to submit for the uses outlined in the Phase II development as described above. It is the intent of WMS Development Group LLC that a minimum of 50 of the 62 acres be usable for development to meet the development planning of the project.

Infrastructure Improvements: To the extent additional infrastructure (i.e. upsizing of pipes and/or lift station) was added to Phase II, WMS Development Group LLC would negotiate a development agreement with the City which would outline the details of such improvements. This is not a requirement of the PPP. It was disclosed that Ortiz Boulevard is a county road and a larger Right of Way than the existing street exists. However, any improvement to that road would be a part of a traffic study and any such development agreement would be with Sarasota County.

Entitlement: The PPP will close upon the following conditions:

Wetland Contingency: Upon final approval (after the day 45 solicitation period and final City Commission vote) of the PPP, WMS Development Group LLC will commence the process to confirm the jurisdiction lines of

wetlands and have them flagged. Assuming that there are not more than 12 acres of wetlands on Phase II, WMSDG shall proceed to closing.

Land Use & Activity Center Contingency: The Labor and Performance Bond component of the PPP shall be contingent upon approval of a land use and/or Activity Center zoning not to exceed 250 hotel room resort, recreational and retail amenities, museum, and residential vacation units. It is the understanding that the comprehensive plan is inconsistent with the existing zoning. The City will initiate a comprehensive plan and zoning change to allow for the uses in this proposal.

Operation & Management: Within 45 days of the closing of the PPP, WMS Development Group LLC shall take over management and shall be responsible financially for the operations. at same time management begins. This condition shall be subject to the City's agreement with the current management company.

- k. Information demonstrating the private entity's understanding of and willingness to assume the risks associated with the project, including but not limited to costs, financing, construction, and quality assurance;

The City has provided WMSDG with the full set of plans and specifications for Phase I (existing 21 acres – Warm Mineral Springs). WMSDG has performed due diligence and believes the cost will be no greater than \$18 million (before additional damage from Hurricane Ian). WMSDG will put up a labor and assurance bond in the amount of \$18 million to provide the City with assurance that the proposed improvements will be made. It is the intent of WMSDG to build to or exceed the quality of the current set of plans. Possible enhancements include additional landscaping and infrastructure upgrades. The City will be consulted and have oversight to any changes from the Kimley Horn Plan.

- l. A preliminary project schedule;

Phase I – Within 60 days of the execution of the Lease, WMSDG will commence construction and within 2 years of construction commencement, WMSDG will complete construction, subject to the terms of the Lease.

Phase II – Based on the planning, market, and financing of certain aspects of Phase II, WMSDG will be commence development.


- m. A detailed financial analysis of the proposed project; and
See Attached Exhibit 'A'.

- n. Specification as to when the pricing or terms of the proposal will expire.

The specification to the terms and conditions will expire with 120 Business Days of the Commission Meeting to proceed.

We look forward to presenting this proposal to the Commission and the process to finalize this PPP.

Sincerely,



Ashley Barrett Bloom

WMS Development Group LLC

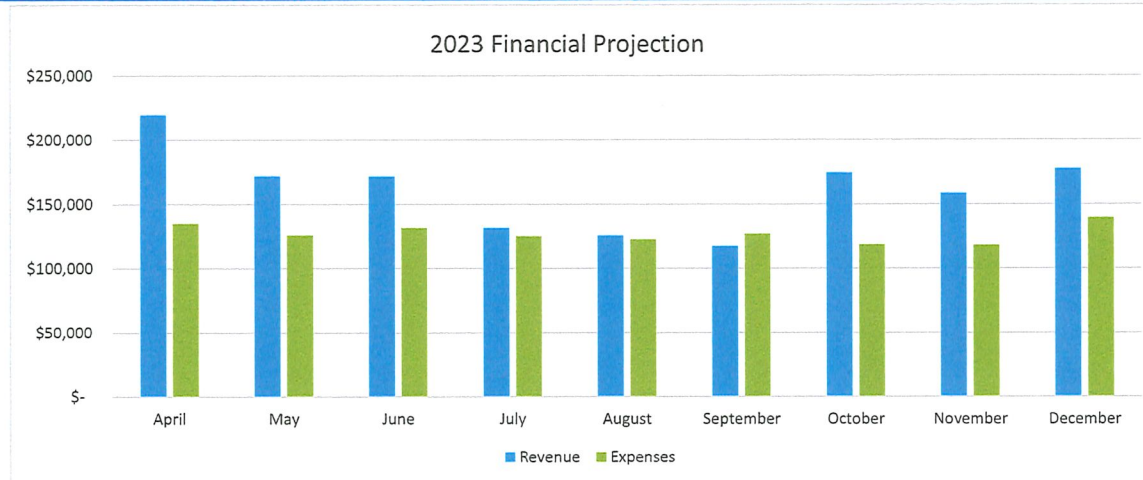
EXHIBIT 'A'

PROJECTED FINANCIAL DATA

WMS Development Group LLC

Nine Months - 2023

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTALS
REVENUES										
Admissions (net of sales tax)	217,717	170,278	169,922	130,324	124,272	114,928	174,535	157,104	176,470	1,435,550
Gift shop commissions	1,877	1,833	1,785	1,121	1,403	2,475	-	1,533	1,389	13,416
Total Revenues	219,594	172,111	171,707	131,445	125,675	117,403	174,535	158,637	177,859	1,448,966
EXPENDITURES *										
Professional & Consulting fees	50,587	50,632	50,582	50,587	50,582	50,600	50,600	50,612	50,587	455,369
Water sampling	800	800	800	800	800	800	800	800	800	7,200
Utility services	500	500	500	500	800	770	1,400	1,100	820	6,890
Rentals	12,861	6,303	6,559	8,314	5,265	10,285	-	-	21,345	70,932
Rent Expense	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	225,000
Repairs	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	72,000
Landscaping	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	54,000
Promotional activities	3,146	1,926	-	61	462	-	-	85	-	5,680
Marketing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	90,000
Bank/transaction & other fees	6,039	4,733	4,722	3,615	3,456	3,229	4,800	4,363	4,891	39,848
Salaries, payroll tax, insurance	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	108,000
Minor operating supplies	170	100	7,428	120	100	100	100	100	100	8,318
Total Expenditures	135,103	125,994	131,591	124,997	122,465	126,784	118,700	118,060	139,543	1,143,237
Net Operating Income (Loss)	84,491	46,117	40,116	6,448	3,210	(9,381)	55,835	40,577	38,316	305,729



* Please note that the above proforma does not include capital expenditures

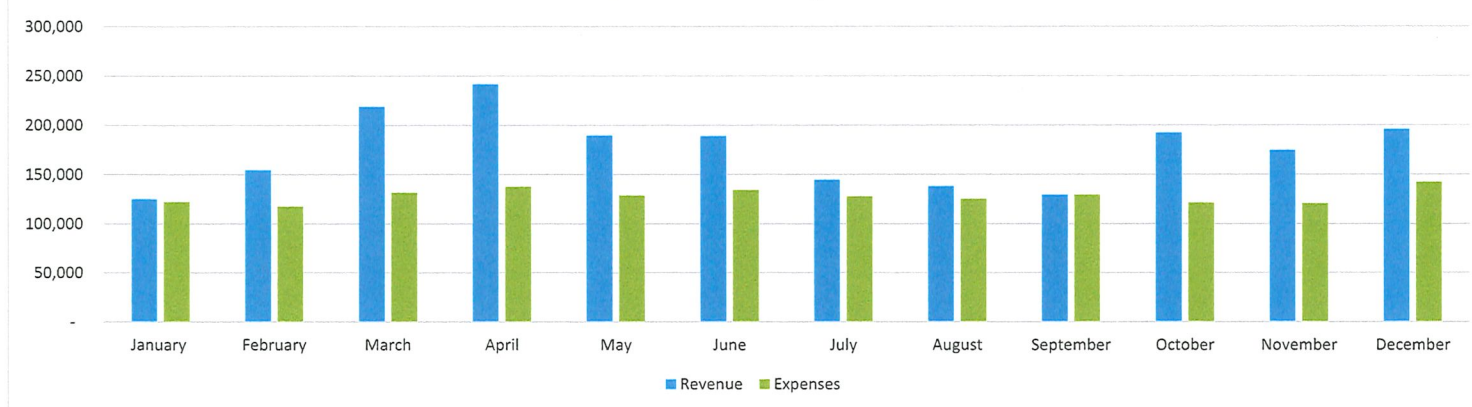
PROJECTED FINANCIAL DATA

WMS Development Group LLC

Calendar Year 2024

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTALS
REVENUES													
Admissions (net of sales tax)	\$ 123,255	\$ 153,062	\$ 216,950	\$ 239,489	\$ 187,306	\$ 186,914	\$ 143,356	\$ 136,699	\$ 126,421	\$ 191,989	\$ 172,814	\$ 194,117	\$ 2,072,372
Gift shop commissions	1,868	1,372	1,577	2,065	2,016	1,964	1,233	1,543	2,723	-	1,686	1,528	19,575
Total Revenues	125,123	154,434	218,527	241,554	189,322	188,878	144,589	138,242	129,144	191,989	174,500	195,645	2,091,947
EXPENDITURES*													
Professional & Consulting fees	50,592	50,583	50,587	51,599	51,645	51,594	51,599	51,594	51,612	51,612	51,624	51,599	616,240
Water sampling	800	800	800	816	816	816	816	816	816	816	816	816	9,744
Utility services	670	760	280	510	510	510	510	816	785	1,428	1,122	836	8,737
Rentals	-	-	12,768	13,118	6,429	6,690	8,480	5,370	10,491	-	-	21,772	85,118
Rent Expense	25,000	25,000	25,000	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	304,500
Repairs	8,000	8,000	8,000	8,160	8,160	8,160	8,160	8,160	8,160	8,160	8,160	8,160	97,440
Landscaping	6,000	6,000	6,000	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	73,080
Promotional activities	351	-	-	3,209	1,965	-	62	471	-	-	87	-	6,145
Marketing	15,000	10,000	10,000	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	126,800
Bank/transaction & other fees	3,441	4,247	6,009	6,160	4,828	4,816	3,687	3,525	3,294	4,896	4,450	4,989	54,342
Salaries, payroll tax, insurance	12,000	12,000	12,000	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	12,240	146,160
Minor operating supplies	100	110	100	173	102	7,577	122	102	102	102	102	102	8,794
Total Expenditures	121,954	117,500	131,544	137,805	128,515	134,223	127,496	124,914	129,320	121,074	120,421	142,334	1,537,100
Net Operating Income (Loss)	\$ 3,169	\$ 36,934	\$ 86,983	\$ 103,749	\$ 60,807	\$ 54,655	\$ 17,093	\$ 13,328	\$ (176)	\$ 70,915	\$ 54,079	\$ 53,311	\$ 554,847

2024 Financial Projection



* Please note that the above proforma does not include capital expenditures