



Downtown Investment Authority

Agenda

City Hall at St. James Building
117 W. Duval Street, First Floor, Lynwood Roberts Room
Jacksonville, FL 32202
Wednesday, January 15, 2020

MEMBERS:

Craig Gibbs, Esq. Chairman
Ron Moody, Vice Chairman
Braxton Gillam, Esq., Secretary
Oliver Barakat, Board Member
Carol Worsham, Board Member

Jim Bailey, Board Member
Todd Froats, Board Member
Marc Padgett, Board Member
David Ward, Board Member

I. CALL TO ORDER

A. Pledge of Allegiance

II. PUBLIC COMMENTS

III. COMMUNITY REDEVELOPMENT AGENCY

- A. December 18, 2019 CRA Board Meeting Minutes
- B. Resolution 2020-01-01: 324 North Broad Street Notice of Disposition

IV. DOWNTOWN INVESTMENT AUTHORITY

- A. December 18, 2019 DIA Board Meeting Minutes
- B. Resolution 2020-01-02: USS Orleck

V. CHIEF EXECUTIVE OFFICER REPORT

VI. CHAIRMAN REPORT

VII. DDRB BRIEFING

VIII. OLD BUSINESS

IX. NEW BUSINESS

X. ADJOURN

Note: Additional supporting documents are available upon request from DIA by contacting KarenU@coj.net or calling (904) 255-5302



Downtown Investment Authority
City Hall at St. James Building,
117 W. Duval Street, First Floor, Lynwood Roberts Room
Jacksonville, FL. 32202
Wednesday, January 15, 2020 – 2:00 p.m.

Community Redevelopment Agency
MEETING MINUTES

Board Members Present: Craig Gibbs, Esq., Chairman; Ron Moody, Vice Chairman; Braxton Gillam Esq., Secretary Oliver Barakat; Todd Froats; Marc Padgett; Carol Worsham and David Ward, Esq.

Board Members Absent: Jim Bailey

Mayor's Staff: Dr. Johnny Gaffney, Mayor's Office, Boards and Commission Liaison

Council Members: Michael Boylan, Council Member, District 6

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Development; John Crescimbeni, Compliance and Regulatory Compliance Manager; Guy Parola, Operations Manager; and Karen Underwood-Eiland, Executive Assistant.

Office of General Counsel: John Sawyer, Office of General Counsel

I. CALL TO ORDER

Chairman Gibbs called the CRA Meeting to order at 2:00 p.m. and the attendees introduced themselves for the record.

A. Pledge of Allegiance

II. PUBLIC COMMENTS

Chairman Gibbs opened the floor for public comments.

Susan Caven commented about condemning the Berkman Plaza and the importance of considering resiliency and greenspace along the river.

III. COMMUNITY REDEVELOPMENT AGENCY MEETING

A. Approval of the December 18, 2019 Community Redevelopment Agency Meeting Minutes

A MOTION WAS MADE BY BOARD MEMBER WORSHAM AND SECONDED BY BOARD MEMBER MOODY APPROVING THE DECEMBER 18, 2019 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

B. RESOLUTION 2020-01-01: 324 NORTH BROAD STREET NOTICE OF DISPOSITION

RESOLUTION 2020-01-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (THE “DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO PROCEED WITH A “FORMAL NOTICE OF DISPOSITION” FOR CITY-OWNED REAL PROPERTY ADDRESSED AS 324 NORTH BROAD STREET, AS MORE FULLY IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER 074556 0000; INSTRUCTING ITS CEO TO CONVENE A MEETING OF THE RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE WITHIN THIRTY DAYS OF THE EFFECTIVE DATE OF THIS RESOLUTION TO ESTABLISH THE SCOPE OF THE DISPOSITION, EVALUATION CRITERIA AND SCORING CRITERIA; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

CEO Boyer reported that an unsolicited offer was received from an adjacent property owner to purchase this property. The board adopted a policy a few months ago regarding unsolicited offers, and in that policy, required the applicant to provide certain information about what they are going to do. We have rejected this proposal and are moving forward with the Notice of Disposition process.

CEO Boyer introduced Steve Kelley, DIA Director of Development to the board.

Steve Kelley said he is looking forward to working with this board and the city. He brought forth Resolution 2020-01-01, to approve the formal disposition process for the property owned by the city located at 324 North Broad Street.

Board Member Gillam asked if an updated appraisal has been ordered.

Vice Chairman Moody stated that we have to consider this at our next meeting. If we have to have an appraisal, we should put it out there for a fresh set of eyes and assess it on that basis.

Board Member Worsham looks forward of having this go through the new process.

Mr. Parola stated that this building has been owned by the City since 1994.

Board Member Froats agreed with Board Member Gillam and recommended to have the appraisal done soon.

A MOTION WAS MADE BY BOARD MEMBER MOODY AND SECONDED BY BOARD MEMBER WORSHAM APPROVING RESOLUTION 2020-01-01 324 NORTH BROAD STREET NOTICE OF DISPOSITION.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

IV. DOWNTOWN INVESTMENT AUTHORITY BOARD

Occurred post-closing of Community Redevelopment Agency Meeting.

V. CHIEF EXECUTIVE OFFICER REPORT

Occurred post-closing of Community Redevelopment Agency Meeting.

VI. CHAIRMAN REPORT

Occurred post-closing of Community Redevelopment Agency Meeting.

VII. DDRB BRIEFING

Occurred post-closing of Community Redevelopment Agency Meeting.

VIII. OLD BUSINESS

Occurred post-closing of Community Redevelopment Agency Meeting.

IX. NEW BUSINESS

Occurred post-closing of Community Redevelopment Agency Meeting.

X. ADJOURN

There being no further business, Chairman Gibbs adjourned the CRA meeting at approximately 2:16 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a transcript is available upon request. Please contact Karen Underwood-Eiland, at (904) 255-5302.

RESOLUTION 2020-01-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (THE “DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO PROCEED WITH A “FORMAL NOTICE OF DISPOSITION” FOR CITY-OWNED REAL PROPERTY ADDRESSED AS 324 NORTH BROAD STREET, AS MORE FULLY IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER 074556 0000; INSTRUCTING ITS CEO TO CONVENE A MEETING OF THE RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE WITHIN THIRTY DAYS OF THE EFFECTIVE DATE OF THIS RESOLUTION TO ESTABLISH THE SCOPE OF THE DISPOSITION, EVALUATION CRITERIA AND SCORING CRITERIA; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City owns 0.08 acre property identified by Duval County Tax Parcel Number 074556 0000 and addressed as 324 North Broad Street (“Property”); and

WHEREAS, the Property is located within the North Bank Downtown Community Redevelopment Area (“North Bank CRA”); and

WHEREAS, DIA is the designated Community Redevelopment Agency for the North Bank CRA, to which a Community Redevelopment Plan was adopted by Ordinance 2014-0560-E; and

WHEREAS, the Property was purchased by the City of Jacksonville in 1994, and is developed with a two-story, ±4,100 square-foot building constructed circa 1904; and

WHEREAS, the building has been vacant since, and likely before, the City acquired the property, and without an occupant continues to deteriorate; and

WHEREAS, the Property has a blighting influence on adjoining properties; and

WHEREAS, the DIA received an unsolicited proposal for purchase of the property at below market value; and

WHEREAS, the DIA CEO performed a preliminary sufficiency review of the unsolicited proposal, finding that it did not meet the minimum criteria for Offers Below Fair Market Value; and

WHEREAS, the DIA CEO also finds that there have been multiple parties interested in the Property and that current and pending construction activity in and around the LaVilla District suggest that it is appropriate to solicit proposals for redevelopment of the Property; and

WHEREAS, the DIA desires to solicit proposals utilizing the Formal Notice of Disposition process established via the adoption of Resolution 2019-09-01, NOW THEREFORE

BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA elects to open the Formal Notice of Disposition Process adopted by policy via Resolution 2019-09-01.

Section 3. The DIA instructs its CEO to convene a meeting of the Retail enhancement and property disposition committee for the purposes of:

- i. Establish the scope of the disposition; and
- ii. Establish evaluation criteria and the points to be assigned to each.

Section 4. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the Solicitation of Disposition for the Property.

Section 5. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Craig Gibbs, Esq., Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____



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City Hall at St. James Building,
117 W. Duval Street, First Floor, Lynwood Roberts Room
Jacksonville, FL. 32202
Wednesday, January 15, 2020 – 2:16 p.m.

Downtown Investment Authority
MEETING MINUTES

Board Members Present: Craig Gibbs, Esq., Chairman; Ron Moody, Vice Chairman; Braxton Gillam, Esq., Secretary; Oliver Barakat; Todd Froats; Marc Padgett; Carol Worsham and David Ward, Esq.

Board Members Absent: Jim Bailey

Mayor's Staff: Dr. Johnny Gaffney, Mayor's Office, Boards and Commission Liaison

Council Members: Michael Boylan, Council Member, District 6

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Development; John Crescimbeni, Contract and Regulatory Compliance Manager; Guy Parola, Operations Manager; and Karen Underwood-Eiland, Executive Assistant

Office of General Counsel: John Sawyer, Office of General Counsel

Meeting Convened: 2:16 p.m.

I. CALL TO ORDER

Chairman Gibbs called the DIA meeting to order at 2:16 p.m.

II. DOWNTOWN INVESTMENT AUTHORITY REGULAR MEETING

A. Approval of the December 18, 2019 Downtown Investment Authority Meeting Minutes

A MOTION WAS MADE BY BOARD MEMBER PADGETT AND SECONDED BY BOARD MEMBER WORSHAM APPROVING THE DECEMBER 18, 2019 DIA REGULAR MEETING MINUTES.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

B. RESOLUTION 2020-01-02: USS ORLECK

RESOLUTION 2020-01-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER (“CEO”) OF THE DIA, TO EXECUTE AND DELIVER ON BEHALF OF THE CITY OF JACKSONVILLE (“CITY”) A DEVELOPMENT AGREEMENT, LICENSE AGREEMENT AND OTHER NECESSARY DOCUMENTS BETWEEN THE CITY AND THE JACKSONVILLE HISTORIC NAVAL SHIP ASSOCIATION, INC., A FLORIDA NONPROFIT CORPORATION (“JHNSA”), FOR THE RELOCATION OF THE RETIRED NAVAL VESSEL USS ORLECK (DD-886) (“USS ORLECK”) TO DOWNTOWN JACKSONVILLE AS A FLOATING MUSEUM (“SHIP MUSEUM”), AT THE FORMER JACKSONVILLE SHIPYARD SITE ON JACKSONVILLE’S NORTHBANK, SAID AGREEMENT BEING FOR A ONE (1) YEAR PERIOD AND CONTINGENT UPON CERTAIN CONDITIONS PRECEDENT BEING MET BY JHNSA PRIOR TO THE DIA’S ENTERING INTO A TEN (10) YEAR LICENSE AGREEMENT WITH JHNSA, TOGETHER WITH TWO (2) FIVE (5) YEAR LICENSE RENEWAL OPTIONS; RECOMMENDING CITY COUNCIL ADOPT LEGISLATION EFFECTUATING THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

CEO Boyer reported that this resolution is in response to the presentation that the Naval Ship Association provided at last month’s meeting regarding the USS Orleck.

Mr. Crescimbeni brought forth Resolution 2020-01-02. He pointed out that this board had taken action for the USS Adams in 2014 and 2018 and walked through the necessary documents in case anything comes up down the road that would prevent the DIA from having to come back to the board approval.

Board Member Barakat wanted to make sure that they receive a conceptual and final approval from the DDRB. Mr. Parola replied that the Ordinance Code would mandate that they go that route.

CEO Boyer noted the added new language “and for future development of a ticket booth, restrooms and gift/concession shop associated with the museum ship, subject to the availability of space and the approval of the Downtown Development Review Board.” She also stated that staff may be adding some language in the license agreement, for some commitment to operating hours and being open to the public. Board Member Barakat recommended for that to be included.

Board Member Padgett agrees with Board Member Barakat regarding the amenities and parking and what it will look like around the ship. He asked if it does not work how we get out of it? What happens if it costs more in four or five years?

Board Member Ward echoed Board Member Padgett's comments in hopes that it will be a success.

Board Member Froats asked if there would be an annual inspection of the ship, the timing and when the first person will be stepping on board.

Board Member Worsham addressed that her biggest concerns during the last meeting were about the interface between the public and their getting to the ship, and ensuring that it is a quality experience. She looks forward to a successful completion for them.

Vice Chairman Moody wants to make sure that we have fully considered our connectivity to the shipyard development and the reuse or the redevelopment of the Berkman property.

Mr. Gillam echoed the comment from his fellow board members and has high hopes that it will be a success.

Council Member Boylan was interested in knowing about the operating hours and asked if the veteran organizations were on a volunteer basis.

Board Member Padgett commented about hurricane evacuation plans, if this ship was running and if it has to be towed anywhere. He also asked if the insurance plan was in place.

Captain John O'Neil and Daniel Bean were present to answer any questions.

A MOTION WAS MADE BY BOARD MEMBER FROATS AND SECONDED BY BOARD MEMBER PADGETT APPROVING RESOLUTION 2020-01-02: USS ORLECK.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

III. CHIEF EXECUTIVE OFFICER REPORT

- A. New DIA Incentive Retail Enhancement Grant
- B. Presentation on the Downtown Two-Way Street Conversion
- C. CRA Plan
- D. The Downtown Overlay
- E. MPS Audit – a copy of a letter dated September 11, 2019 was provided to the Board
- F. First Baptist Church – has three parking garages on the market

Board Member Froats commented about when he joined this board, they were going through financial statements with Mr. Parola. He wanted to make sure that a plan was in place with respect to all of the deals that the DIA have and asked if there was a six-month time frame to where everything will be in control through the end of the year.

CEO Boyer responded that everything thing should be in control sooner than six-months because there's a high percentage of them that have already been touched.

CEO Boyer provided agenda items for the February Meeting below:

- FSCJ Loan documents.
- Ford on Bay disposition. The bids close next Wednesday. Vice Chairman Moody is going to be scoring the responses that have to be in no later than Monday, January 27, because on Thursday, January 30th will be the shortlist interviews. She welcomed anyone that wanted to attend. The scorers will be CEO Boyer, Stephanie Burch, Mayor's Office and Vice-Chairman Moody.
- 90-day extension for the performance deadlines for the District.
- Independent Life project may be brought forth in March or April due to a fair amount of work to be done in terms of getting their historic preservation eligible cost estimates.
- CEO Boyer met with Atkins regarding the Trio this week, and he is expecting to be coming back within two to three weeks with a revised proposal. – The Trio may take place in February or March.
- Cultural Council – DIA met with the Cultural Council regarding Phase III of the Urban Arts contract.
- Berkman II, the City has had Code Compliance do inspections.
- Lot J, currently do not have a contract.
- Professional Service Contracts –Mr. Parola will be handling DRI abandonment process.
- DVI contract working on the Invest Jax website and the new marketing materials from Wingard that may be available in late February.
- Market Feasibility Study – Willdan was the top scorer and we are hoping to have a contract with them in the next 30 days or so.
- Public works will be delivering the traffic counts this week.
- Waitz and Moye is now working on our updated cost estimate with Guy Parola.
- Guy Parola reported that funds were provided to the Parks Department and a contract was awarded to Haskell to complete a design for Riverwalk trees. CEO Boyer said considering that there are tree fund dollars available to enhance the number of trees and the amount of shade on the Riverwalk, to use our dollars to do the design and then come back with a bill to Council to appropriate tree fund dollars to plant them.
- DIA New website may go live in February.
- CEO Boyer reminded everyone that the Strategic Implementation Committee will be held Friday, January 17 at 10:00 a.m. The committee will start with goals for Downtown parking and a discussion about on-street and off-street parking, meter, kiosks, bagging and ride share spaces.

IV. CHAIRMAN REPORT

Chairman Gibbs reported that Board Members Worsham and Padgett attended the opening of the Lofts of Jefferson Street.

V. DDRB BRIEFING

Mr. Parola provided an update to the Board. The DDRB met Thursday, January 9, 2020 at 2:00 p.m. The next meeting will be held Thursday, February 13, 2020 at 2:00 p.m.

IX. ADJOURN

There being no further business, Chairman Gibbs adjourned the DIA meeting at approximately 3:34 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a transcript is available upon request. Please contact Karen Underwood-Eiland, at (904) 255-5302, or by email at karenu@coj.net.

RESOLUTION 2020-01-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER (“CEO”) OF THE DIA, TO EXECUTE AND DELIVER ON BEHALF OF THE CITY OF JACKSONVILLE (“CITY”) A DEVELOPMENT AGREEMENT, LICENSE AGREEMENT AND OTHER NECESSARY DOCUMENTS BETWEEN THE CITY AND THE JACKSONVILLE HISTORIC NAVAL SHIP ASSOCIATION, INC., A FLORIDA NONPROFIT CORPORATION (“JHNSA”), FOR THE RELOCATION OF THE RETIRED NAVAL VESSEL USS ORLECK (DD-886) (“USS ORLECK”) TO DOWNTOWN JACKSONVILLE AS A FLOATING MUSEUM (“SHIP MUSEUM”), AT THE FORMER JACKSONVILLE SHIPYARD SITE ON JACKSONVILLE’S NORTHBANK, SAID AGREEMENT BEING FOR A ONE (1) YEAR PERIOD AND CONTINGENT UPON CERTAIN CONDITIONS PRECEDENT BEING MET BY JHNSA PRIOR TO THE DIA’S ENTERING INTO A TEN (10) YEAR LICENSE AGREEMENT WITH JHNSA, TOGETHER WITH TWO (2) FIVE (5) YEAR LICENSE RENEWAL OPTIONS; RECOMMENDING CITY COUNCIL ADOPT LEGISLATION EFFECTUATING THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Downtown Investment Authority (“DIA”) is the designated Community Redevelopment Agency for the North Bank Community Redevelopment Area for which a Community Redevelopment Plan was adopted by Ordinance 2014-560-E; and

WHEREAS, the DIA and Jacksonville City Council have previously expressed their support of efforts by the Jacksonville Historic Naval Ship Association, Inc., a Florida non-profit corporation (“JHNSA”) to bring the retired naval vessel USS Adams (DDG-2) (“USS Adams”) to Jacksonville as a downtown floating museum (“Ship Museum”); and

WHEREAS, DIA Resolution 2018-05-05 and City Ordinance 2018-358-E, previously approved that certain development agreement (the “Prior Agreement”) and License Agreement (“Prior License Agreement”), and

WHEREAS, in December 2018, JHNSA became aware that the USS Adams would likely not be made available for donation for the purpose of a retired naval museum, and

WHEREAS, JHNSA has since located an alternate retired naval vessel, the USS Orleck (DD-886) (“USS Orleck”), available for donation from the USS Orleck Naval Museum, Inc., a non-profit organization in Lake Charles, Louisiana, and

WHEREAS, the JHNSA has approached the DIA with new plans to instead moor the USS Orleck at the former Jacksonville Shipyard’s north/south bulkhead on the north bank of the St. John’s River and to operate the Ship Museum (the “Project”); and

WHEREAS, the DIA has evaluated the Project and has proposed a new development agreement, license agreement and any other documents necessary to accomplish the goals and objectives of the Prior Agreement and to ensure the Project’s overall operation is satisfactory and contributing to the City, including the obligation of JHNSA to relocate or remove the USS Orleck at no cost to the City for the reasons enumerated in the Term Sheet or at the sole discretion of DIA, now therefore

BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The CEO of DIA is hereby authorized to negotiate a new Development Agreement (the “Agreement”), License Agreement (“License”) and any other necessary documents between the City and JHNSA for the relocation of the USS Orleck to Downtown Jacksonville as a floating Ship Museum at the former Shipyards site in Jacksonville’s Northbank community redevelopment area, the additional terms of which are outlined in **Exhibit “A”** attached hereto.

Section 3. The CEO of DIA is hereby authorized to file legislation to approve the Development Agreement, License Agreement and other necessary documents, and following approval by the City Council, execute the same.

Section 4. The Effective Date of this Resolution is the date of execution of the Resolution by the Chairman of the DIA Board.

The remainder of this page intentionally left blank.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Craig Gibbs, Chairman

VOTE: In Favor: _____ Opposed: _____ Abstained: _____ DATE: _____

EXHIBIT A

2020 JHNSA TERM SHEET

Project Name: The USS Orleck (DD-886)
Developer/Applicant: Jacksonville Historic Naval Ship Association, Inc., a Florida non-profit corporation
City Funding: None

Breakdown:

Infrastructure: No city of Jacksonville infrastructure improvements are contemplated.
Land: Title to the property shall remain with the City of Jacksonville.
REV Grant: No REV Grant is contemplated for this project.
Grant(s): No grant is contemplated for this project
Loan: No loan is contemplated for this project.
Agreements: Development Agreement: Details the actions and deliverables which the Jacksonville Historic Naval Ship Association (the "JHNSA") needs to deliver, to the satisfaction of the Downtown Investment Authority (the "DIA"), to receive the License to moor the USS Orleck at the Shipyards property.
License Agreement: Details the rights, duties, obligations and conditions of the actual grant and operation of the License to moor the USS Orleck at the Shipyards property.
Other Documents: As necessary.

Transaction Details: The transaction is for a License (permission) for the USS Orleck to be moored at a pier located in the currently City-owned Shipyards property and for the future development of a ticket booth, restrooms and gift/concession shop associated with the Museum Ship, subject to the availability of space and the approval of the Downtown Development Review Board.
The License is terminable at will and for any reason by the DIA with ninety (90) day notice.
The USS Orleck will not be making any payments for the grant of the license to "dock" at the shipyards.
The DIA is the entity that will manage the City's contract with JHNSA.

Financial Impacts

- The transaction is for a License (permission), therefore no property rights are granted to the JHNSA.
- The JHNSA will not be paying any rent, user fees, or remuneration to the City for the license.
- The JHNSA has a plan in place for the near-term removal of the USS Orleck should that be necessary.
- The Development Agreement and License agreement are subject to insurance requirements as determined by the City's Risk Management Division.

The Development Agreement

- The development agreement spells out the conditions precedent to the City's execution of the License Agreement, and the granting of the license.
- The Development Agreement has a one (1) year life in which the JHNSA must meet all the conditions precedent.
- The Conditions precedent include, but are not limited to, the following:
 - The JHNSA will provide a survey and title work for the footprint of the Ship Museum site, and cure any title defects; and
 - The JHNSA shall provide the DIA evidence that it has raised the sufficient funding to complete the project (currently estimated at \$2,800,000); and
 - The JHNSA will provide the City with a certified cost estimate of all costs associated with the removal of the USS Orleck and towing of the ship to Brownsville, Texas, and shall deposit with the City 110% of that amount as escrow funds to be held by the city throughout the term of the License Agreement; and
 - The vessel has been properly retrofitted and reconditioned before the towing process to Jacksonville has begun; and
 - That the JHNSA has a Florida Department of Environmental Protection ("FDEP") approval of the License agreement; and
 - That the JHNSA has obtained FDEP and Army Corp of Engineers approvals and permits for any dredging work that may need to be performed at the Shipyards site related to the mooring of the USS Orleck; and
 - That the JHNSA has United States Coast Guard approvals and any necessary permits for activities associated with the mooring of the USS Orleck at the Shipyards property, or operations of the Ship Museum; and

- Evidence that the JHNSA has met all the insurance requirements contained in the License Agreement (as required by the City's Risk Management Division); and
- DIA has approved the final plans, final scope of work and project budget, final performance schedule and final project sources and uses of funds.
- The Development Agreement contains all of the following termination provisions:
 - If the Association fails to satisfy the Conditions Precedent within the time specified herein;
 - If the DIA enters into a redevelopment agreement for the Shipyards property;
 - For a breach of any provision of this Agreement;
 - In the event of default; or
 - For any other reason in the DIA's sole discretion and without cause upon having provided the Association with ninety (90) days advance written notice of the same.
- The Development Agreement does not allow the JHNSA to engage in any construction or development work at the Museum site; only limited access to the site is granted to "show" the site to prospective donors.

The License Agreement

- The License Agreement permits the JHNSA to moor the USS Orleck at a slip located at the City owned Shipyards property (see attached exhibit demonstrating the expected location of the ship's mooring).
- The License is for an initial ten (10) year term, with two possible renewals of five (5) years each for a total possible life of twenty (20) years.
- The license includes the submerged lands under the ship as well as anticipated uplands areas (the "Museum Site").
- The City of Jacksonville and the DIA have not agreed to provide any funding to or for the project.
- Title to the property shall remain with the City of Jacksonville.
- The DIA may terminate the License agreement for any or no reason with ninety (90) days written notice.
- The License agreement shall contain the same indemnities as the development agreement.
- The License Agreement shall contain its own Insurance requirements (as required by the City's Risk Management Division).
- The License Agreement shall contain the same removal contingency provisions as the Development Agreement (provide the City 110% of the removal costs associated with

the removal of the USS Orleck and towing of the ship to Brownsville, Texas, in the form of escrow funds deposited with and held by the city).

- The License Agreement shall require that every five (5) years, JHNSA provide DIA with a current certified cost estimate for the costs associated with the removal of the USS Orleck and towing of the ship to Brownsville, Texas. In the event the escrow funds deposited with and held by the City are less than 110% of any required certified cost estimate, JHNSA shall immediately deposit the difference with the City.

Failure to agree upon and execute a written Development Agreement or License Agreement (or other necessary documents) for these proposed terms, and any additional terms which may have been agreed upon, by the expiration of this Term Sheet, will result in the nullification of all obligations of the parties.

This Term Sheet shall expire and become void unless executed by both parties prior to February 29, 2020.

Offered on behalf of the City of Jacksonville Downtown Investment authority by:

Lori N. Boyer, CEO

Date

Accepted on behalf of the Jacksonville Historic Naval Ship Association, Inc. by:

Date

Print Name

Print Title