**AMENDED**

**PORT TAMPA BAY**

**NOTICE OF PUBLIC HEARING**

Notice is hereby given of a public hearing to be held at 10:00 a.m., December 8, 2017before the Tampa Port Authority d/b/a Port Tampa Bay, at its offices located at 1101 Channelside Drive, Tampa, Florida 33602, to hear public comments regarding the following:

**LEASE AGREEMENT WITH GULF MARINE REPAIR CORPORATION**

Additional information is available online at [www.tampaport.com](http://www.tampaport.com). All written comments and objections directed toward the foregoing matter should be filed with Port Tampa Bay, Real Estate Department, at 1101 Channelside Drive, Tampa, Florida 33602 by 12:00 noon on December 7, 2017. Oral comments and objections may be presented at the hearing.

In accordance with the federal Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities requiring reasonable accommodation to participate in this hearing should call (813) 905-5031 or fax (813) 905-5029 not later than 48 hours prior to the hearing.

ANY PERSON WHO DECIDES TO APPEAL ANY DECISION OF THE PORT TAMPA BAY WITH RESPECT TO ANY MATTER CONSIDERED AT THIS PUBLIC HEARING WILL NEED A RECORD OF THE PROCEEDINGS AND, FOR SUCH A PURPOSE, MAY NEED TO HIRE A COURT REPORTER TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

To be published Friday, November 17, 2017

In the Tampa Bay Times

***AMENDED***

***BACKGROUND INFORMATION FOR PUBLIC HEARING***

***DECEMBER 8, 2017 AT 10:00 A.M.***

**LEASE AGREEMENT WITH**

**GULF MARINE REPAIR CORPORATION**

Gulf Marine Repair Corporation specializes in the repair, conversion, and modification of large commercial vessels, tugs, barges, and U.S. Coast Guard vessels. Gulf Marine desires a new Lease for approximately 23.12 acres of land with improvements located on Hooker’s Point.

**FACTS/COMMENTS:**

Port Tampa Bay Staff and Gulf Marine Repair Corporation have agreed to the following terms:

**Premises:** The Premises would consist of approximately 23.12 acres of land as outlined within the current amended and restated lease agreement, the actual acreage will be the result of a final survey performed by the Port.

**Use:** The Premises would be used solely for ship building/repair and conversion facility, machine shop, floating dry-dock and layup and all ancillary uses associated therewith. GMR would also have the right to sublet or license to affiliated companies for the same uses and marine construction. The use of the Premises for automatic (butterworth) or manual tank cleaning would be prohibited unless GMR provides acceptable insurance coverage required by the Port, from time to time, for such use and the consent of the Port expressly consents to such use in writing. All other uses would require the express written permission from the Port.

**Term:** The Initial Term would be ten (10) years commencing October 1, 2017 and ending September 30, 2027. Additionally, GMR would have One (1) – Ten (10) year and Four (4) – Five (5) year Lease Extension Options based on the terms and conditions as set forth in this Letter. The lease on all of the current parcels will be coterminous.

**Dockage and Wharfage:**

The Port would not assess dockage or wharfage for the permitted use of the Premises for ship repair or shipbuilding or for the unloading of proprietary cargo used in connection with such permitted uses, such as steel or other materials used in connection with ship repair or shipbuilding. In the event any vessel moors along the Premises for any other purpose, the then current Port tariff charges for dockage and wharfage would be assessed to the mooring of the vessel and discharge of cargo over the Premises.

**Rent:**  Annual Rent for the Lease Term would be as follows:

Lease Year 1: Rent would be $1,400,000.00 annually.

Lease Years 2-5: Rent would be based on the Rent for Lease Year 1 as adjusted annually by the increase in the CPI, but not greater than 2.5% or not less than 0% for each subsequent lease year, resulting in the current annual rent amount. In the event CPI is greater than the 2.5% cap, any amount over the cap will be carried forward and applied to any future years CPI adjustment that is under the cap amount but still not to exceed 2.5%.

Lease Years 6-10: Rent would be based on the Rent for Lease Year 5 as adjusted annually by the increase in the CPI, but not greater than 3% or not less than 0% for each subsequent lease year, resulting in the current annual rent amount. In the event CPI is greater than the 3% cap, any amount over the cap will be carried forward and applied to any future years CPI adjustment that is under the cap amount but still not to exceed 3%.

GMR would pay the Port monthly rent payments in the amount of one-twelfth (1/12) the current annual rent amount minus $100,000.00, plus any applicable tax thereon. For example, for Lease Year 1 GMR would pay the Port $108,333.33 each month, plus any applicable tax thereon ($1,400,000 - $100,000/12).

During the final month of the lease year, GMR and the Port would agree upon the annual “Real Property Capital Investments” amount and finalize the annual account balance as outlined in Section 6, below.

Extension Options: Rent would be based upon the fair market value as mutually agreed upon or may be determined by an MAI appraisal process every consecutive ten (10) year period throughout any extension options.

“Opt-Out Clause”: For consideration of all terms, including the rent set forth herein, the Port would release its rights to the multimillion dollar investments made by the Port in the Premises as set forth within the existing “Opt-Out” clause.

**Real Property Capital Investments:**

GMR would be entitled to receive certain rent credits for fixed improvements to the Premises such as structures and all attached contents of the structures, firmly attached and integrated equipment such as light fixtures, fences, paving, a well pump (“**Real Property Capital Investments**”), as follows:

For any Real Property Capital Investment amount made by GMR during any single lease year, GMR would be entitled to receive a dollar for dollar rent credit, in accordance to the general terms as herein outlined, not to exceed $100,000.00 in any given lease year.

During the final month of any single lease year GMR would provide the Port an accounting of all Real Property Capital Investments made during that single lease year. Upon acceptance by the Port, GMR would make the final lease year’s monthly payment to include all shortfalls as maybe required to equal the current annual rent amount. For example, in the event GMR makes $75,000 in Real Property Capital Investments during the first lease year, GMR would be obligated to pay the Port the sum of $133,333.33 ($108,333.33 + $25,000.00) at the end of the first year.

In the event GMR’s Real Property Capital Investments amount is greater than $100,000.00, the excess amount would be carried over into subsequent lease years, accumulate and be applied to the maximum annual $100,000.00 rent credit for such lease years. In the event the Lease would terminate prior to the application of all Real Property Capital Investments, any unused amount in the carryover account would be waived and not eligible for reimbursement or credit.

All accumulated Real Property Capital Investments account balances would only apply to future rent terms and obligations and not be retroactively applied to prior lease years.

**Environmental Conditions:**

GMR would take the Premises “AS-IS” in all respects and be responsible for the condition of the Premises during its prior use and occupation under the existing and prior lease agreements of the Premises between GMR and the Port. All appropriate environmental restrictions would be applied to the Lease, including, without limitation, odor and emissions control as required in the vicinity of the Premises. GMR would be responsible for all prior occupancy and previous use by GMR of the Premises.

**Improvements:**

GMR would be responsible for all improvements to the Premises and agrees to take the Premises and all existing improvements “AS-IS”, “WHERE-IS” and would be responsible for the condition of the Premises during its prior use and occupancy under the existing and prior lease agreements of the Premises between GMR and the Port. GMR would acknowledge that the Port disclaims and makes no representations or warranties, express or implied, including, without limitation, suitability or fitness for a particular purpose or otherwise. GMR would have the right to construct upland facilities and other improvements, subject to prior review and acceptance by the Port, in the Port’s discretion. Any dry-dock/vessel mooring and equipment usage next to or around the seawall would be subject to review by the Port at the Port’s discretion.

**Port Hendry Land:**

As consideration  for the Port's  termination  of its Opt-Out rights, as set forth in Section 12, below, GMR will cause Port Hendry LLC, the owner of the property outlined as Hillsborough County Folio number 198755-1100 ("Port Hendry"), to record a use restriction on the Port Hendry land prohibiting the use of the land for the handling of containers and ROPAX via the water to encourage the use of and provide a future location for shipbuilding and ship repair business on Port Hendry.    Additionally, the Port and GMR would endeavor to identify opportunities to handle bulk cargo and/or general cargo on the Port Hendry property via the water in the event there were not a need to use Port Hendry for future shipbuilding and ship repair business. In such event, if the opportunity would arises to handle bulk cargo and/or general cargo via the water, the Port and GMR would enter into discussions to work jointly that would be subject to a separate written agreement between the parties setting forth each party’s rights and obligations. The Port acknowledges and agrees that GMR would have the right to establish time frames of not less than thirty (30) days for discussions and negotiations based on the nature of the opportunity. In such event, if the parties were unable to come to an agreement within such timeframes, Port Hendry would have the right to proceed to handle the bulk cargo and/or general cargo without the Port’s participation.     All use restrictions in this Section 9 would terminate if the Port/GMR lease terminates or if the Port Hendry parcel is sold.

**GMR property acquisition reiteration:**

In the event GMR acquires the leasehold interest in or to any existing Port owned properties through assignment of purchase of the tenant’s interest in such properties, the Port, in its sole discretion, would have the right to consent or deny such acquisition of the leasehold rights and other agreements as may be applicable.

**Right of First Opportunity:**

Within the Port’s 2016 Master Plan, a future potential development option was outlined for the western end of Pendola Point. Subject to mutually agreeable Right of First Opportunity terms and conditions and the Port’s ability to procure all requirements to go proceed with the development of Pendola Point, including agreement on a tenant mix that would include a ship building and repair use, the Port would offer terms to GMR that reflect the current market leasehold terms prior to entertaining offers from any other entity. In the event the current Tampa Ship facility reverts to the Port and the Tampa Ship lease terminates or expires and, subsequently, becomes available for release, the Port would provide a right of first opportunity to GMR to lease the facility based on terms that reflect the then current leasehold market for such facility prior to entertaining offers from any other entity.

**Opt-Out Clause:**

For consideration of all terms set forth in this LOI, including, without limitation, the rent set forth herein and the Port Hendry use restriction, PTB would waive and terminate its right for an ”Opt-Out” as currently outlined within the existing lease agreement between the Port and GMR for the use of the Premises.

**Communications and Marketing:**

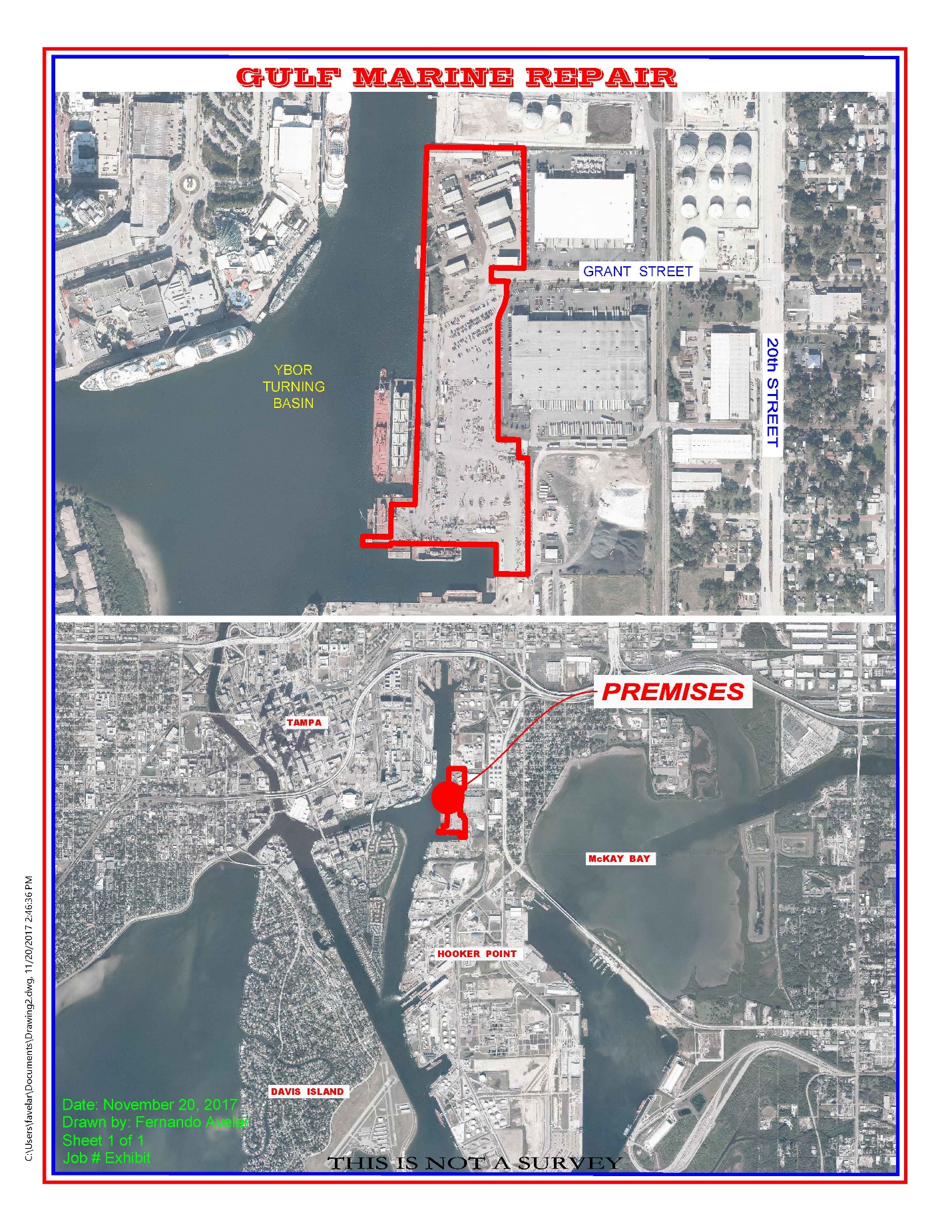
The Port would endeavor to communicate with GMR regarding marketing opportunities and acknowledge GMR along with other ship repair and building tenants on the Port’s property in applicable marketing and promotional brochures. The Port is committed to cooperate, communication and promotion as the opportunity is feasible and presents itself for the mutual benefit of both parties.

**Berth 253 Renovation:**

The Port and GMR would endeavor to identify available funding opportunities for the renovation of Berth 253. Upon presentation of a funding opportunity, the Port and GMR would enter into discussions regarding payment of the funding opportunity that would be subject to a separate written agreement between the parties. However, neither party would be obligated to fund the renovations unless and until a separate written agreement is entered into between the parties setting forth each party’s obligations and responsibilities.

**Other:**

GMR would be responsible for all utilities, real estate taxes, sales taxes, site improvements, insurance, maintenance of the Premises, and compliance with all seaport security laws and regulations, environmental laws and regulations and all other applicable regulations and laws.

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