

**PORT TAMPA BAY  
NOTICE OF PUBLIC HEARING**

Notice is hereby given of a public hearing to be held at 10:00 a.m., March 12, 2018 before the Tampa Port Authority, d/b/a Port Tampa Bay at its offices located at 1101 Channelside Drive, Tampa, Florida, to hear public comments regarding the following:

**AGREEMENT WITH CBP DEVELOPMENT LLC**

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 March 8, 2018. 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) 905-7678 or fax (813) 905-5109 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 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, February 16, 2018  
In the Tampa Bay Times

**BACKGROUND INFORMATION FOR PUBLIC HEARING**  
**March 12, 2018 AT 10:00 A.M.**

**AGREEMENT WITH CBP DEVELOPMENT LLC**

CBP Development LLC ("CBP") and Port Tampa Bay ("PTB") have negotiated terms and conditions for an agreement for the lease of a parcel of land ("Leasehold Parcel") located on the surface lot at the corner of Beneficial Drive and Channelside Drive ("Garrison Lot"), the sale of approximately 20,000 s.f. of land within the Garrison Lot ("Fee Simple Parcel"), a concession to operate the PTB parking garages located along Channelside Drive ("Parking Garages"), and a concession to operate the PTB surface parking lots located adjacent to PTB cruise terminal nos. 3 and 6 ("Surface Lots").

**FACTS/COMMENTS:**

**LEASEHOLD PARCEL:**

**Premises:** The lease of approximately 120,000 to 130,000 s.f. of land located on the surface lot at the corner of Beneficial Drive and Channelside Drive, subject to a survey, easements and provisioning requirements.

**Use:** Mixed-use development.

**Term:** Forty (40) years commencing upon execution of the lease agreement with eight (8) consecutive extension options of five (5) years each.

**Effective Date:**  
The earlier of the closing of the formal agreements, or June 1, 2018 ("Effective Date").

**Ground Rent:**  
\$517,667/yr. in 2018 dollars, increased from the Effective Date by the greater of 1% or the increase in the CPI annually, not to exceed 5% per year ("CPI Escalation").

**Ground Rent Commencement Date:**  
The Ground Rent payments would commence at the earlier of six (6) years after the Effective Date or the issuance of the certificate of occupancy of all components of the proposed project, and would be increased by the CPI Escalation.

**Ground Rent Adjustment:**  
CBP would pay the greater of the Ground Rent (as increased by the CPI Escalation) or \$1.00 per buildable square foot of newly developed density on the Garrison Lot (excluding the initial 362,000 s.f. of proposed

development on the Fee Simple Parcel), as of the beginning of each year (as increased by the CPI Escalation). If CBP were to develop more than 362,000 s.f. of buildable square feet on the Fee Simple Parcel, the additional buildable square footage on the Fee Simple Parcel would be considered in calculating the ground rent adjustment.

**License Fees:**

Commencing on the Effective Date until the commencement of construction on the Garrison Lot ("Construction Commencement Date"), CBP would pay PTB a usage fee as consideration for the use of the Garrison Lot equal to 62.5% of the "Gross Revenues" from the use and operation of the Garrison Lot during the prior calendar month, together with all sales tax thereon at the applicable rate, and CBP would be entitled to retain 37.5% of the Gross Revenues.

**Capital Account:**

CBP would credit the sum of \$2 million to a notional capital account maintained for the benefit of PTB by CBP in the development of the Garrison Lot.

**Transfer Fee upon each sale, transfer, or change of control ("Transfer"):**

- 3% of gross Transfer Price for first 10 years
- 2% of gross Transfer Price in years 11-20
- 1.5% of gross Transfer Price thereafter

In lieu of receiving the Transfer Fee, PTB would have the option, in its sole discretion, of receiving credit to the Capital Account of the amount of the Transfer Fee.

**Refinance:** 80% cap on refinancing the leasehold interest of CBP or its successors or assigns in the Leasehold Parcel.

**Other:** CBP would be responsible for all utilities, real estate taxes, site improvements, insurance, maintenance of the Premises, and compliance with all applicable regulations and laws.

**FEE SIMPLE PARCEL**

**Premises:** Sale and purchase of approximately 20,000 s.f. of land located on the surface lot at the corner of Beneficial Drive and Channelside Drive, subject to a survey.

**Use:** Mixed-use development.

**Price:** \$9,868,120; payable to PTB in equal monthly installments (\$82,234/mo.) over 10 years commencing on the Effective Date, with a fee simple transfer after last payment.

## **PARKING GARAGE**

**Premises:** A concession to operate the Channelside Parking Garage and Cruise Terminal Parking Garage located along Channelside Drive.

**Use:** Parking operations. The ground floor parking in the new garage would be used by PTB for cruise ship activities such as staging trucks for provisioning ships, buses, taxicabs, vans, etc. on cruise days, and by CBP for ingress/egress and for parking and valet services on non-cruise days. CBP would have the right to engage a related third party to manage the garage.

**Term:** Concession Term would be for a period of forty (40) years with an option to extend, not to exceed 58 years (coterminous with the Channelside Bay Plaza lease term).

**Revenue:** PTB would be entitled to 62.5% of Gross Parking Revenues from the use, operation and management of the Parking Garage and would be responsible for payment of structural capital repairs and maintaining a customary capital reserve. CBP would be entitled to 37.5% of Gross Parking Revenues and would be solely responsible for operating the garage and payment of all operational costs and expenses except structural capital repairs.

**Rates and Policies:**

Cruise parking rates and policies of all cruise parking spaces required for PTB's cruise operations would be approved by PTB. All other non-cruise parking rates and policies would be established by CBP, subject to PTB's consent—not to be unreasonably withheld. There would be no free or reduced parking fees without the mutual consent of CBP and PTB. CBP's current parking voucher/reimbursement system, as per the existing Channelside Bay Plaza lease would remain in place.

**Capital Reserve:**

PTB would prepare an annual capital reserve budget and a long-term plan for capital expenditures for the garage, subject to CBP's consent.

## **SURFACE LOTS**

**Premises:** A concession to operate the surface parking lots adjacent to Cruise Terminal No. 3 and Cruise Terminal No. 6.

**Use:** Parking operations.

**Term:** An annual (year-to-year) basis, subject to PTB's right to terminate with ninety (90) days' written notice.

**Revenue:** PTB would be entitled to 62.5% of Gross Parking Revenues from the use, operation and management of the Surface Lots and would be responsible for payment of structural capital repairs. CBP would be entitled to 37.5% of Gross Parking Revenues and would be solely responsible for operating the Surface Lots and payment of all operational costs and expenses except structural capital repairs.

**Rates and Policies:**

Cruise parking rates and policies of all cruise parking spaces required for PTB's cruise operations would be approved by PTB. There would be no free or reduced parking fees without the mutual consent of CBP and PTB.

## **GENERAL AGREEMENT TERMS**

**Development Termination – Five Years:**

The formal agreement(s) for the Garrison Lot would automatically terminate in the event that CBP fails to commence development on the Garrison Lot within five years from the Effective Date. In such event, PTB would be entitled to retain all payments made by CBP to PTB through the date of termination, including, without limitation, all Fee Simple Parcel Payments and all License Fees.

**Mutual Right to Terminate – Eighteen Months:**

Both parties would use best efforts to provide resolution to items that would need to be addressed to develop the Garrison Lot within 18 months after execution of the Closing Documents. PTB and CBP would have a right to terminate in the event the conditions have not been resolved within 18 months after execution of the Closing Documents. In the event either party terminates, PTB would be entitled to retain all payments made by CBP to PTB through the date of termination, including, without limitation, all Fee Simple Parcel Payments and all License Fees.

**Cross Default:**

The formal agreements for the Garrison Lot and Parking Garage would include cross default clauses with the Ground Lease for Channelside Bay Plaza, as amended, with mutually acceptable terms and cure periods.