



City of Pensacola

City Council

Agenda

City of Pensacola
222 W. Main Street
Pensacola, FL 32502

April 24, 2025, 5:30 PM

Council Chambers, 1st Floor

The meeting can be watched via live stream at cityofpensacola.com/video.

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

Council Member Jennifer Brahier

AWARDS

FIRST LEROY BOYD FORUM

APPROVAL OF MINUTES

1. 25-68 APPROVAL OF MINUTES: REGULAR MEETING DATED APRIL 10, 2025
Recommendation: That City Council approve regular meeting minutes dated April 10, 2025.
Sponsors: Jared Moore, Council President
Attachments: *Draft: Regular Meeting Minutes Dated 4/10/2025*

APPROVAL OF AGENDA

CONSENT AGENDA

2. 25-424 AIRPORT - AWARD OF BID NO. 25-021 - DESIGN-BUILDER FOR PROJECT TITAN - ELEMENT 2, HANGAR 4 AT PENSACOLA INTERNATIONAL AIRPORT
Recommendation: That City Council approve the selection of Wharton-Smith, Inc. of Pensacola, FL, ("Wharton-Smith") as the best and most qualified firm under City of Pensacola Request for Qualifications No. 25-021 for Design-Builder Services for the Titan - Element 2, Hangar 4 Project at Pensacola International Airport (the "RFQ") with a base bid of \$29,871,000 plus Alternates in the amount of \$2,316,000 plus a 10% contingency of \$3,218,700 for a total of \$35,405,700 and authorize the Mayor to negotiate a contract between the City and Wharton-Smith to

provide such services. Further, that City Council authorize the Mayor to take the actions necessary to finalize, execute, and administer this contract and complete the work, consistent with the bid, contracting documents, and the Mayor's Executive Powers as granted in the City Charter.

Sponsors: DC Reeves, Mayor

Attachments: *Final Committee Ranking of Firms*
Tabulation of Qualifications
Final Vendor Reference List

3. 25-399 AIRPORT - APPROVAL OF AMENDMENT NO 1. TO THE JESTA TOWERS, INC. LEASE AGREEMENT

Recommendation: That City Council approve Amendment No. 1 to the lease agreement between the City of Pensacola and Jesta Towers, Inc. Further, that City Council authorize the Mayor to take all actions necessary to execute and administer Amendment No. 1, consistent with the Mayor's Executive Powers as granted in the City Charter.

Sponsors: DC Reeves, Mayor

Attachments: *Amendment No. 1 - Lease Agreement*
Appraisal Report

4. 25-459 APPROVAL OF AMENDMENT NO. 2 TO CONTRACT FOR RFQ 23-030 ARCHITECTURAL AND ENGINEERING SERVICES FOR THE HIGH PERFORMANCE MARITIME CENTER OF EXCELLENCE AND AMERICAN MAGIC AT THE PORT OF PENSACOLA

Recommendation: That City Council approve Amendment No. 2 to the contract for Architectural and Engineering Services with Muller and Muller, LTD., for the High Performance Maritime Center of Excellence and American Magic at the Port of Pensacola, in the amount of \$573,967.91, based on final project cost. Further, that City Council authorize the Mayor to take actions necessary to execute and administer the amendment, consistent with the Mayor's Executive Powers as granted in the City Charter.

Sponsors: DC Reeves, Mayor

Attachments: *LTR Pensacola-HPMCE-American-Magic Fee Amendment*
REV001 20250114

5. 25-492 APPOINTMENTS - URBAN CORE REDEVELOPMENT BOARD

Recommendation: That City Council appoint a resident, owner, or operator of a business in the Belmont DeVilliers Area, Central Business Area, East Hill Area, Historic District - Aragon Area, Long Hollow Area, and the Old East Hill Area to fill unexpired terms ending March 31, 2026.

Sponsors: Jared Moore, Council President

Attachments: *Member List*
Nomination Form - Michael Carro
Application of Interest - Michael Carro
Resume - Michael Carro
Nomination Form - Shirley Kirchharr Cronley
Application of Interest - Shirley Kirchharr Cronley
Nomination Form - Michelle MacNeil
Application of Interest - Michelle MacNeil
Application of Interest - Christopher Satterwhite
Nomination Form - Eddie Todd Jr.
Application of Interest - Eddie Todd Jr.
Nomination Form - Linda Webb
Application of Interest - Linda Webb

REGULAR AGENDA

6. 25-389 FLORIDA DEPARTMENT OF TRANSPORTATION - GRANT NO. 453476-2-34-01 - FLORIDA SHARED-USE NON-MOTORIZED (SUN) TRAIL NETWORK PROGRAM

Recommendation: That City Council Authorize the acceptance of Florida Department of Transportation Grant No. 453476-2-34-01 - Florida Shared-Use Non-Motorized (Sun) Trail Network Program. Further, that City Council adopt a Supplemental Budget Resolution appropriating the grant funds.

Sponsors: DC Reeves, Mayor

Attachments: *453476-2-Main Street*
Western Project Limits
Eastern Project limits

7. 25-405 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-20 - USE OF FUNDING PROVIDED THROUGH THE FLORIDA SHARED-USE NON-MOTORIZED (SUN) TRAIL NETWORK PROGRAM - FLORIDA DEPARTMENT OF TRANSPORTATION - GRANT NO. 453476-2-34-01

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2025-20:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Supplemental Budget Resolution No. 2025-20*
Supplemental Budget Explanation No. 2025-20

453476-2-Main Street
Western Project Limits
Eastern Project limits

8. 25-425 RESOLUTION NO. 2025-21 - RESOLUTION AMENDING AND RESTATING THE AIRPORT MASTER BOND RESOLUTION

Recommendation: That City Council adopt Resolution No. 2025-21:

A RESOLUTION AMENDING, COMPILING AND RESTATING RESOLUTION NO. 59-88 OF THE CITY OF PENSACOLA, FLORIDA, WHICH AUTHORIZED THE ISSUANCE OF THE ISSUER'S AIRPORT REVENUE BONDS FOR THE PURPOSE OF FINANCING AND REFINANCING CAPITAL IMPROVEMENTS TO THE AIRPORT; AND PROVIDING AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Airport Bond Resolution 2025-21*
RLCP Airport Resolution 2025-21 Redline

9. 25-427 RESOLUTION NO. 2025-23 - APPROVING THE PENSACOLA STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM LOCAL HOUSING ASSISTANCE PLAN

Recommendation: That City Council adopt Resolution No. 2025-23.

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA, APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Resolution No. 2025-23*
2025-2028 Pensacola Local Housing Assistance Plan

10. 25-476 PROPOSED ORDINANCE NO. 2-25 RELATED TO THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM

Recommendation: That City Council adopt Proposed Ordinance No. 2-25 on first reading.

AN ORDINANCE REPEALING AND REPLACING, IN ITS ENTIRETY, ORDINANCE NO. 1-93 OF THE CITY OF PENSACOLA, FLORIDA, THE "PENSACOLA AFFORDABLE HOUSING ORDINANCE" RELATING TO THE STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM; PROVIDING FOR SEVERABILITY; REPEALING

CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Proposed Ordinance No. 2-25*
Proposed Ordinance No. 2-25 Business Impact Analysis Report

11. 25-431 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-22 - PURCHASE OF TWO (2) NEW WAY SIDE LOADER REFUSE TRUCKS

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2025-22.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Supplemental Budget Explanation No. 2025-22*
Supplemental Budget Resolution No. 2025-22

12. 25-416 DEFENSE INFRASTRUCTURE GRANT AGREEMENT - STATE OF FLORIDA DEPARTMENT OF COMMERCE

Recommendation: That the City Council approve the acceptance of the Defense Infrastructure Grant - Department of Commerce for the acquisition of strategically located land near Naval Air Station Pensacola to develop affordable housing for military personnel and their families in the amount of \$608,200 with a \$182,460 local match for a total grant value of \$790,660. Further, that City Council authorize the Mayor to take the actions necessary to execute and administer this grant, consistent with the terms of the grant and the Mayor's Executive Powers as granted in the City Charter. Finally, that City Council adopt a supplemental budget resolution appropriating the grant funds.

Sponsors: DC Reeves, Mayor

Attachments: *DIG AGREEMENT*

13. 25-458 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-18 - APPROPRIATION OF DEFENSE INFRASTRUCTURE GRANT FUNDS

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2025-18:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: Supplemental Budget Resolution No. 2025-18
Supplemental Budget Explanation No. 2025-18

**14. 25-256 PROPOSED ORDINANCE NO. 1-25 - VOLUNTARY ANNEXATION OF
AIRPORT-OWNED PROPERTY - 2400 BLOCK LANGLEY AVENUE**

Recommendation: That City Council approve Proposed Ordinance No. 1-25 on first reading.

AN ORDINANCE INCORPORATING AND ANNEXING A CERTAIN
AREA CONTIGUOUS AND ADJACENT TO THE CITY OF
PENSACOLA INTO THE CITY OF PENSACOLA, AND DECLARING
SAID AREA TO BE A PART OF THE CITY OF PENSACOLA;
REPEALING CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: Proposed Ordinance No. 1-25

15. 25-495 BAPTIST LEGACY CAMPUS DONATION AGREEMENT

Recommendation: That City Council approve the Donation Agreement between the City of Pensacola and Baptist Entities (Baptist Health Care Inc. and Baptist Health Ventures, Inc.) for certain real property located generally between N. Pace Boulevard, W. Hernandez Avenue, N. D Street, and W. Lee Street in Pensacola. Further, that City Council authorize the Mayor to take the actions necessary to execute and administer this Donation Agreement, consistent with the terms of the agreement and the Mayor's Executive Powers as granted in the City Charter.

Sponsors: DC Reeves, Mayor

Attachments: Land Donation Agreement

COUNCIL EXECUTIVE'S REPORT

MAYOR'S COMMUNICATION

COUNCIL COMMUNICATIONS & CIVIC ANNOUNCEMENTS

SECOND LEROY BOYD FORUM

ADJOURNMENT

Any opening invocation that is offered before the official start of the Council meeting shall be the voluntary offering of a private person, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the City Council or the city staff, and the City is not allowed by law to endorse the religious or non-religious beliefs or views of such speaker. Persons in attendance at the City Council meeting are invited to stand during the invocation and to stand and recite the Pledge of Allegiance.

However, such invitation shall not be construed as a demand, order, or any other type of command. No person in attendance at the meeting shall be required to participate in any opening invocation that is offered or to participate in the Pledge of Allegiance. You may remain seated within the City Council Chambers or exit the City Council Chambers and return upon completion of the opening invocation and/or Pledge of Allegiance if you do not wish to participate in or witness the opening invocation and/or the recitation of the Pledge of Allegiance.

If any person decides to appeal any decision made with respect to any matter considered at such meeting, he will need a record of the proceedings, and that for such purpose he may need 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.

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs and activities. Please call 435-1606 (or TDD 435-1666) for further information. Request must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-68

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SUBJECT:

APPROVAL OF MINUTES: REGULAR MEETING DATED APRIL 10, 2025

ATTACHMENTS:

1. Draft: Regular Meeting Minutes Dated 4/10/2025



City of Pensacola

CITY COUNCIL

MINUTES

City of Pensacola
222 W. Main Street
Pensacola, FL
32502

April 10, 2025

5:30 PM

Council Chambers, 1st Floor

ROLL CALL

Council President Moore called the regular meeting to order at 5:33 P.M.

Council Members Present: Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton

Council Members Absent: Casey Jones, Delarian Wiggins

Also Present: Mayor D.C. Reeves

INVOCATION

Moment of Silence

PLEDGE OF ALLEGIANCE

Council Member Charles Bare

AWARDS

Council President recognized Finance Department budget staff and accounting staff, calling each to the dais to present two (2) Government Finance Officers' Association:

- *The Distinguished Budget Award for the FY 2025 Budget* (for the 35th consecutive year)
- *Certificate of Achievement for Excellence in Financial Reporting for the FY 2023 Pensacola Annual Comprehensive Financial Report*

FIRST LEROY BOYD FORUM

None

APPROVAL OF MINUTES

1. 25-67 APPROVAL OF MINUTES: REGULAR MEETING DATED MARCH 27, 2025

Recommendation: That City Council approve regular meeting minutes dated March 27, 2025.

A motion to approve was made by Council Member Brahier and seconded by Council Member Bare.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton

No: 0 None

APPROVAL OF AGENDA

Council Member Brahier requested consent agenda Item 3 (25-278) *Appointment - Zoning Board of Adjustment* since the nominee is in attendance. *No objection.*

A motion to approve as amended was made by Council Member Bare and seconded by Council Member Brahier.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton

No: 0 None

CONSENT AGENDA

2. 25-342 APPOINTMENTS - AFFORDABLE HOUSING ADVISORY COMMITTEE

Recommendation: That City Council approve the following Escambia County appointees as members of the Affordable Housing Advisory Committee for a term of three years, expiring December 31, 2028.

Ed Brown
Laura Gilmore
Deborah Mays
Maya Moss
Melody Neal
Robert Strickland
Charles Thornton

4. 25-149 AWARD OF CONTRACT RFQ NO. 25-011 - LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Recommendation: That the City Council award contract(s) for RFQ No. 25-011 for landscape installation and maintenance continuing services to Outer Spaces, LLC, Rotolo Consultants, Inc., and Wallace Sprinkler & Supply, Inc. Further, that City Council authorize the Mayor to take those actions necessary to negotiate, execute and administer these contracts and complete the work, consistent with the contracting documents and the Mayor's Executive Powers as granted in the City Charter.

5. 25-446 DISCRETIONARY FUNDING ALLOCATION - CITY COUNCIL MEMBER TENIADE BROUGHTON - DISTRICT 5

Recommendation: That City Council approve funding of \$2,000 to The Watson Family Foundation and \$500 to the Ella L. Jordan African American History Museum from the City Council Discretionary Funds for District 5.

A motion to approve consent agenda items 2, 4, and 5 was made by Council Member Brahier and seconded by Council Member Bare.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton
No: 0 None

REGULAR AGENDA

3. 25-278 APPOINTMENT - ZONING BOARD OF ADJUSTMENT

Recommendation: That City Council appoint Nannette Chandler, who is a resident or property owner of the City, to the Zoning Board of Adjustment to fill an unexpired term, ending July 14, 2026.

A motion to approve was made by Council Member Bare and seconded by Council Vice President Patton.

Nannette Chandler (nominee) briefly addressed Council thanking them for the opportunity to serve in this capacity.

Some Council Members made follow-up remarks in support of Ms. Chandler's appointment.

Upon conclusion of discussion, the vote was called.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton

No: 0 None

6. 25-324 AMENDMENT TO LEASE AGREEMENT WITH AMERICAN MAGIC FOR PREPAID RENTAL TERMS

Recommendation: That City Council approve the amendment to the existing lease agreement between the City of Pensacola and American Magic to adjust the financial terms by prepaying a portion of the lease. Further, that City Council authorize the Mayor to take those actions necessary to finalize, execute, and administer this lease amendment, consistent with the terms outlined in the amendment and the Mayor's Executive Powers as granted in the City Charter.

A motion to approve was made by Council Vice President Patton and seconded by Council Member Brahier.

Mayor Reeves (sponsor) made comments and introduced American Magic Chief Operating Officer Tyson Lamond who briefly addressed Council.

Council Vice President Patton made follow-up remarks.

There being no further discussion, the vote was called.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton

No: 0 None

7. 25-341 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-16 - AMENDMENT TO LEASE AGREEMENT WITH AMERICAN MAGIC FOR PREPAID RENTAL TERMS

Recommendation: That City Council adopt supplemental Budget Resolution No. 2025-16:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

A motion to adopt was made by Council Member Bare and seconded by Council Vice President Patton.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton
No: 0 None

8. 25-331 FY 2024 CITY OF PENSACOLA ANNUAL COMPREHENSIVE FINANCIAL AUDIT

Recommendation: The City Council accept the City of Pensacola Annual Comprehensive Financial Report for the year ending September 30, 2024, as prepared by the Financial Services Department and the Independent Auditors Report issued there upon.

A motion to approve was made by Council Member Bare and seconded by Council Member Brahier.

Kristin McAllister, CPA, CGFM of the Audit Division with Warren Averett addressed Council providing a brief summary and highlighted key items.

Council Member Brahier thanked Ms. McAllister for meeting with Council Members individually to review the report in detail.

There being no further discussion, the vote was called.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton
No: 0 None

9. 25-418 CITY COUNCIL CONSENT TO THE MAYOR'S APPOINTMENT OF REAR ADMIRAL LANCE SCOTT, USN (RETIRED) AS PORT DIRECTOR FOR THE CITY OF PENSACOLA

Recommendation: That City Council consent to the Mayor's appointment of RDML Lance Scott, USN (Ret), as Port Director of the City of Pensacola in accordance with the City Charter Section 4.01(a)(7).

A motion to approve was made by Council Member Bare and seconded by Council Member Brahier.

Mayor Reeves (sponsor) introduced RDML Lance Scott, USN (Ret) who briefly addressed Council and responded accordingly to questions.

Upon conclusion of discussion, the vote was called.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton
No: 0 None

10. 25-388 RESOLUTION NO. 2025-17: RELATED TO THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD'S (DIB'S) EXEMPTION FROM THE OBLIGATION TO ANNUALLY CONTRIBUTE TAX INCREMENT REVENUES TO THE REDEVELOPMENT TRUST FUND.

Recommendation: That City Council adopt Resolution No. 2025-17.

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA AMENDING RESOLUTION NO. 33-09; REVISING THE DEFINITION OF THE TERM "TAX INCREMENT REVENUES" SET FORTH THEREIN TO REFLECT EXEMPTION OF THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD FROM THE OBLIGATION TO ANNUALLY CONTRIBUTE TAX INCREMENT REVENUES TO THE REDEVELOPMENT TRUST FUND ESTABLISHED FOR THE URBAN CORE COMMUNITY REDEVELOPMENT AREA; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

A motion to adopt was made by Council Member Bare and seconded by Council Member Brahier.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton
No: 0 None

11. 25-19 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-3 - DR. MARTIN LUTHER KING, JR./ALCANIZ STREET AND DAVIS HIGHWAY TWO-WAY CONVERSION PROJECT

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2025-3.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

A motion to adopt was made by Council Vice President Patton and seconded by Council Member Brahier.

Public input was heard from Walter Wallace.

Mayor Reeves (sponsor) made comments. Some discussion took place among Council with input from Mayor Reeves.

Upon conclusion of discussion, the vote was called.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton

No: 0 None

12. 25-400 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-19 - LAW ENFORCEMENT TRUST FUND (LETF) EXPENDITURE FOR A BEARCAT VEHICLE

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2025-19.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

A motion to adopt was made by Council Member Bare and seconded by Council Member Brahier.

Mayor Reeves (sponsor) made brief comments indicating equipment such as this is long overdue for modernizing the Police Department.

There being no discussion, the vote was called.

The motion passed by the following vote:

Yes: 5 Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton

No: 0 None

COUNCIL EXECUTIVE'S REPORT

None

MAYOR'S COMMUNICATION

On behalf of Mayor Reeves, City Administrator Kinsella addressed Council providing updates regarding various initiatives and projects.

COUNCIL COMMUNICATIONS & CIVIC ANNOUNCEMENTS

Council Member Bare and Brahier made comments regarding recent happenings, events, and community initiatives.

SECOND LEROY BOYD FORUM

James Gulley: Addressed Council regarding various City contracts and projects.

ADJOURNMENT

WHEREUPON the meeting was adjourned at 6:25 P.M.

Adopted: _____

Approved: _____
Jared Moore, President of City Council

Attest:

Ericka L. Burnett, City Clerk



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-424

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

AIRPORT - AWARD OF BID NO. 25-021 - DESIGN-BUILDER FOR PROJECT TITAN - ELEMENT 2, HANGAR 4 AT PENSACOLA INTERNATIONAL AIRPORT

RECOMMENDATION:

That City Council approve the selection of Wharton-Smith, Inc. of Pensacola, FL, ("Wharton-Smith") as the best and most qualified firm under City of Pensacola Request for Qualifications No. 25-021 for Design-Builder Services for the Titan - Element 2, Hangar 4 Project at Pensacola International Airport (the "RFQ") with a base bid of \$29,871,000 plus Alternates in the amount of \$2,316,000 plus a 10% contingency of \$3,218,700 for a total of \$35,405,700 and authorize the Mayor to negotiate a contract between the City and Wharton-Smith to provide such services. Further, that City Council authorize the Mayor to take the actions necessary to finalize, execute, and administer this contract and complete the work, consistent with the bid, contracting documents, and the Mayor's Executive Powers as granted in the City Charter.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action does not directly advance a goal of the City of Pensacola Strategic Plan but is a necessary function of municipal government.

Project Titan at Pensacola International Airport is the continuation of the development of a commercial aircraft maintenance, repair, and overhaul ("MRO") campus at Pensacola International Airport that began with the occupancy of MRO Hangar 1 by VT MAE in June 2018. Project Titan consists of the construction of three (3) additional MRO Hangars, including warehouses/support services centers and administrative offices, all of which will be leased to VT MAE under the Master Lease Agreement previously approved by City Council. Of the three (3) additional MRO Hangars (Hangars 2-4), Hangar 2 achieved completion in November 2022 and City Council approved the award of Design-Builder Services for Hangar 3 to Roy Anderson Corporation in July 2024.

On December 27, 2024, City Purchasing issued Request for Qualifications No. 25-021, to select a Design-Builder for construction management services for the Titan - Element 2,

Hangar 4 Project at Pensacola International Airport. Bids were due February 26, 2025, and two (2) responses were received. On March 27, 2025, the two (2) firms provided oral presentations and the final ranking of the firms is as follows:

1. Wharton-Smith, Inc.
2. Roy Anderson Corp

A financial proposal was required as part of the bid. Wharton-Smith provided a base bid of \$29,871,000 plus Alternate 1 in the amount of \$1,043,000 and Alternate 2 on the amount of \$1,273,000, for a total project cost of \$32,187,000. Funding is available in the Element 2 project budget and has been broken out in the funding section below.

PRIOR ACTION:

February 27, 2014 - City Council approved the Interlocal Agreement with Escambia County and the City of Pensacola for Funding of Economic Development Project - ST Aerospace of Mobile, Inc.

March 8, 2018 - City Council authorized the Mayor to execute acceptance of the State of Florida Department of Economic Opportunity Grant Agreement G0009 in the amount of \$4,000,000 for construction of infrastructure related to MRO expansion.

September 13, 2018 - City Council authorized the Mayor to accept and execute the State of Florida Department of Transportation Public Transportation Grant Agreement Financial Project 441494-2-94-01 in the amount of \$3,000,000 for Pensacola International Airport Facilities Development related to MRO expansion.

September 13, 2018 - City Council committed funding in the amount of \$10 million from Local Option Sales Tax Series IV in support of the aerospace maintenance repair and overhaul (MRO) campus expansion.

November 8, 2018 - City Council approved the amended Interlocal Agreement between the Escambia County Board of County Commissioners and the City of Pensacola related to the funding of the aerospace maintenance, repair, and overhaul (MRO) campus expansion at the Pensacola International Airport. Included in the agreement was the understanding that the City would contribute \$10,000,000 and the County would contribute \$10,000,000 towards the project.

February 6, 2019 - City Council approved the amended Interlocal Agreement between the Escambia County Board of County Commissioners and the City of Pensacola related to an additional \$5,000,000 in County and \$5,000,000 in City funding requirements for the aerospace maintenance, repair, and overhaul (MRO) campus expansion at the Pensacola International Airport. The City Council re-allocated Local Option Sales Tax IV funding for the additional City share.

March 28, 2019 - City Council authorized the Mayor to accept and execute the Project

Development Agreement in the amount of \$35,000,000, the Master Lease of Real Property, the Triumph Grant Award Agreement in the amount of \$66,000,000, and a State of Florida Dept. of Economic Opportunity Grant in the amount of \$10,000,000.

August 8, 2019 - City Council authorized the Mayor to accept and execute Financial Award No. 04-79-07378 from the U.S. Department of Commerce, Economic Development Administration in the amount of \$12,250,000 for the MRO expansion, and authorized the Mayor to accept and execute State of Florida Dept. of Transportation Amendment to the grant agreement for Financial Project 441494-2-94-01 in the amount of \$8,000,000 for the MRO expansion.

March 26, 2020 - City Council authorized the Mayor to execute acceptance of the State of Florida Department of Economic Opportunity Florida Job Growth Infrastructure Grant Agreement in the amount of \$4,875,000 related to the MRO aviation campus expansion project.

July 16, 2020 - City Council authorized the Mayor to accept and execute the State of Florida Department of Transportation Amendment to the grant agreement for Financial Project 441494-2-94-01 in the amount of \$34,000,000 for the MRO expansion.

August 10, 2020 - City Council approved Resolution 2020-18 related to the State of Florida Department of Transportation Amendment to the grant agreement for Financial Project 441494-2-94-01 in the amount of \$34,000,000 for the MRO expansion.

August 12, 2021 - City Council authorized the Mayor to accept and execute the State of Florida Department of Transportation Amendment to the grant agreement for Financial Project 441494-2-94-01 in the amount of \$1,000,000 for the MRO expansion.

November 18, 2021 – City Council approved the award of design criteria professional and program management services related to Element 2 of Project Titan and authorized the Mayor to execute and administer the contract.

August 18, 2022 - City Council authorized the Mayor to accept and execute the State of Florida Department of Transportation Amendment to the grant agreement for Financial Project 441494-2-94-01 in the amount of \$2,000,000 for the MRO expansion.

May 25, 2023 – City Council approved the award of Project Titan Hangar 2 Parking Lot Modifications to Gulf Beach Construction and authorized the Mayor to execute and administer the contract.

August 17, 2023 – City Council approved the award of Project Titan Element 2 site preparations to HG Construction Development & Investment, Inc. and authorized the Mayor to execute and administer the contract.

September 28, 2023 – City Council approved the award of professional engineering and architectural services related to runway and taxiway pavements and authorized the Mayor to execute and administer the contract.

February 22, 2024 - City Council approved the award of Project Titan Element 2, Hangar 3 Design-Builder to Roy Anderson Corporation and authorized the Mayor to execute and administer the contract.

May 23, 2024 - City Council approved the award of Project Titan Hangar 2 Loading Dock Repairs to Chavers Construction, Inc. of Cantonment, FL and authorized the Mayor to execute and administer the contract.

July 18, 2024 - City Council approved Amendment No. 1 to the Design-Builder contract between the City and Roy Anderson Corporation which provides for the construction of Project Titan, Element 2.

FUNDING:

Budget:	\$ 35,000,000	VT MAE
	14,000,000	Governor's Job Growth
	48,000,000	FDOT Grant
	15,000,000	Escambia County
	15,000,000	City Local Option Sales Tax Series IV
	12,250,000	Federal - U.S. Economic Development Administration
	66,000,000	Triumph Gulf Coast
	<u>4,875,000</u>	Florida DEO Grant
	<u>\$210,125,000</u>	TOTAL

	<u>Element 1</u>	
Actual:	\$ 2,371,801	Design
	277,645	Design Development Services
	1,812,640	Contract Administration Services
	120,560	Cost Estimating Services
	3,340,999	FAA Project Funding
	2,675,350	Professional Services
	15,421,264	Owner Direct Purchases
	<u>36,269,710</u>	Construction Manager at Risk
	<u>\$ 62,289,969</u>	Sub-Total Element 1

	<u>Element 2</u>	
\$	4,156,300	Design
	5,434,400	Construction Administration Services
	423,300	Contract Management Services
	423,300	Geotech and Environmental Assessment
	423,300	Hangar 2 Loading Dock Reconstruction
	300,000	Facility Commissioning
	1,000,000	Professional Services
	1,731,825	Site Work

13,200,000	Apron/Taxiway Work
72,720,000	Construction Hangar 3
7,272,000	Construction Hangar 3 Contingency (10%)
32,187,000	Construction Hangar 4
3,218,700	Construction Hangar 4 Contingency (10%)
<u>5,298,915</u>	Owners Contingency
<u>\$147,835,031</u>	Sub-Total Element 2
<u>\$210,125,000</u>	TOTAL

FINANCIAL IMPACT:

The funds for the project were appropriated in the Airport Fund on Supplemental Budget Resolution No. 2019-13 at the March 28, 2019, City Council Meeting. The total project cost is being funded by a combination of VT MAE investment, state grants, federal grants, and local funds, as detailed above under "Funding". Funding for the Hangar 4 construction is available under Element 2.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Tim Kinsella, City Administrator
Amy Miller, Deputy City Administrator
Matthew F. Coughlin, Airport Director

ATTACHMENTS:

1. Final Committee Ranking of Firms
2. Tabulation of Qualifications
3. Final Vendor Reference List

PRESENTATION: No

RFQ NO. 25-021

**Design Builder for Project Titan - Hangar 4
At Pensacola International Airport**

Selection Committee Meeting (3/27/25)

	Submitter	
Interview Evaluator	Roy Anderson	Wharton Smith
Coughlin	1	2
Grancagnolo	2	1
Ibold	2	1

Interview Score	240	270
	240	270

	Submitter	
Price Evaluation	Roy Anderson	Wharton Smith
Budget \$33,815,000	100	150
1 pt per \$100,000	0	16

Price Score	100	166
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Total Score	340	436
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TIEBREAKER ONLY	Submitter	
Technical Proposal Evaluator	Roy Anderson	Wharton Smith
Coughlin	84	69
Grancagnolo	85	85
Ibold	93	90

Tiebreaker score	262	244
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Motion: Grancagnolo moved to recommend to the mayor that Wharton Smith be selected.

Second: Ibold

Vote: 3-0

TABULATION OF PROPOSALS

RFQ NO: 25-021

TITLE: DESIGN-BUILDER FOR PROJECT TITAN – ELEMENT 2, HANGAR 4
AT AT PENSACOLA INTERNATIONAL AIRPORT

Submittals Due:

02/26/25, 2:30 P.M.

Department:

Pensacola International Airport

Roy Anderson Corporation
"A Mississippi Corporation"
Robert Fullington, President
Post Office Box 2
Gulfport, MS 39502
228-896-4000
Fax: 228-896-4011
robert.fullington@rac.com

Wharton-Smith, Inc.
Darin Crafton, COO - Commercial
49 East Chase Street
Pensacola, FL 32502
850-328-4350
ajbrown@whartonsmith.com

Submittal Due Date: 02/26/25

RFQ No.: 25-021

FINAL VENDOR REFERENCE LIST
DESIGN-BUILDER FOR PROJECT TITAN – ELEMENT 2, HANGAR 4 AT AT PENSACOLA INTERNATIONAL AIRPORT
AIRPORT

Vendor #	Name	Address	City	St	Zip	SMWBE
087144	GANNETT MEDIA CORP DBA GANNETT FLORIDA LOCALIQ	P O BOX 631244	CINCINNATI	OH	45263	
074827	GULF COAST MINORITY CHAMBER OF COMMERCE INC	321 N DEVILLERS ST STE 104	PENSACOLA	FL	32501	
060344	PENSACOLA BAY AREA CHAMBER OF COMMERCE DBA GREATER PENSACOLA CHAMBER	117 W GARDEN ST	PENSACOLA	FL	32502	
051996	AECOM USA	2202 N WEST SHORE BLVD STE 455	TAMPA	FL	33607	
042087	ARCHER WESTERN CONTRACTORS	4343 ANCHOR PLAZA PKWY. 155	TAMPA	FL	33634	
049093	ARCHITECTURAL AFFAIRS INC	105 EAST DESOTO STREET	PENSACOLA	FL	32501	
082532	ARORA ENGINEERS	400 CARILLON PKWY SUITE 100	ST PETERSBURG	FL	33716	
070194	ASSOCIATED SPACE DESIGN DBA ASD/SKY	4810 WEST NINE MILE ROAD	PENSACOLA	FL	32526	
026973	ATKINS NORTH AMERICA INC	P O BOX 409357	ATLANTA	GA	30384	
022428	AVCON INC	5555 E MICHIGAN ST SUITE 200	ORLANDO	FL	32822	
079924	B & A ARCHITECTURAL GROUP, INC	4030 ARBUTUS DRIVE	PENSACOLA	FL	32504	Y
045448	B L HARBERT INTERNATIONAL	820 SHADES CREEK PKWY	BIRMINGHAM	AL	35209	
000377	BASKERVILLE DONOVAN	449 WEST MAIN ST	PENSACOLA	FL	32502	
035802	BAY DESIGN ASSOCIATES ARCHITECTS	720 BAYFRONT PARKWAY STE 200	PENSACOLA	FL	32502	Y
043861	BHATE GEO	5217 5TH AVENUE SOUTH	BIRMINGHAM	AL	35212	
055510	BRASFIELD & GORRIE	P O BOX 11407	BIRMINGHAM	AL	35246	
065821	BRPH ARCHITECTS-ENGINEERS INC	5700 N HARBOR CITY BLVD STE 400	MELBOURNE	FL	32940	
000058	BULLOCK-TICE ASSOCIATES	909 EAST CERVANTES ST STE B	PENSACOLA	FL	32501	
034635	BURNS & MCDONNELL ENGINEERING COMPANY INC	9400 WARD PARKWAY	KANSAS CITY	MO	64114	
084558	C&S ENGINEERS	605 E ROBINSON ST SUITE 210	ORLANDO	FL	32801	
003039	CALDWELL ASSOCTES ARCHTCTS INC	116 NORTH TARRAGONA STREET	PENSACOLA	FL	32502	Y
090381	CARDELLA	4337 SEAGRAPE DRIVE	LAUDERDALE-BY-THE-SEA	FL	33308	
084559	CLAY CORP	2675 PACES FERRY ROAD STE 450	ATLANTA	GA	30339	
082533	CMTS CONSTRUCTION MGMT SVCS DBA CMTS LLC	8837 GOODBY'S EXECUTV DR STE 2	JACKSONVILLE	FL	32217	
090379	CORGAN	20 N ORANGE AVE STE 1300	ORLANDO	FL	32801	
084574	CREATIVE CONCEPTS CONST CO DBA C4 HANGARS & INDUSTRIAL DOORS	22833 BOTHELL EVERETT HWY	BOTHELL	WA	98021	
090386	CRUCIBLE CONSTRUCTION	29891 WOODROW LANE SUITE 300	SPANISH FORT	AL	36527	
087326	DABICO AIRPORT SOLUTIONS	5740 DECATUR BLVD	INDIANAPOLIS	IN	46241	
026000	DAG ARCHITECTS INC	1223 AIRPORT ROAD	DESTIN	FL	32541	
057131	DALRYMPLE SALLIS ARCHITECTURE LLC	213 S BAYLEN STREET	PENSACOLA	FL	32502	
084561	EXP	400 NORTH TAMPA ST STE 1650	TAMPA	FL	33602	
024204	FABRE ENGINEERING INC DBA FABRE ENGINEERING & SURVEYING	119 GREGORY SQUARE	PENSACOLA	FL	32502	Y
040956	FITZPATRICK, DAVID W PE, PA	10250 N PALAFOX STREET	PENSACOLA	FL	32534	
057238	GARVER	4701 NORTHSORE DRIVE	NORTH LITTLE ROCK	AR	72118	
065822	GHAFAIR ASSOCIATES LLC	122 S MICHIGAN AVE STE 1500	CHICAGO	IL	60603	
083818	GOODWYN MILLS CAWOOD LLC	2660 EASTCHASE LANE STE 200	MONTGOMERY	AL	36117	
004285	GREENHUT CONSTRUCTION COMPANY	23 SOUTH A STREET	PENSACOLA	FL	32501	
024318	GRESHAM SMITH & PARTNERS	P O BOX 440029	NASHVILLE	TN	37244	
018636	GULF COAST BUILDING CONTRACTORS INC	1010 N 12TH AVE STE 201	PENSACOLA	FL	32501	Y
090385	GULF STATES AUTOMATION	245 W AIRPORT BLVD SUITE B	PENSACOLA	FL	32505	
019764	HEFFERNAN HOLLAND MORGAN ARCHITECT PA	312 S ALCANIZ ST	PENSACOLA	FL	32501	

Submittal Due Date: 02/26/25

RFQ No.: 25-021

FINAL VENDOR REFERENCE LIST
DESIGN-BUILDER FOR PROJECT TITAN – ELEMENT 2, HANGAR 4 AT AT PENSACOLA INTERNATIONAL AIRPORT
AIRPORT

Vendor #	Name	Address	City	St	Zip	SMWBE
084562	HENSEL PHELPS	420 SIXTH AVENUE	GREELEY	CO	80631	
045631	HERNANDEZ CALHOUN DESIGN INTL	420 NORTH PALAFOX STREET	PENSACOLA	FL	32501	Y
082535	HPM LEADERSHIP	2203 PERIMETER ROAD SUITE 200	MOBILE	AL	36602	
078876	INDEPENDENCE EXCAVATING INC	5720 SCHAAF ROAD	INDEPENDENCE	OH	44131	
041502	INTERTEK PSI	175 SOUTH A STREET	PENSACOLA	FL	32501	
084563	J A WATTS INC	940 W ADAMS SUITE 400	CHICAGO	IL	60607	
054641	JERRY PATE DESIGN INC	301 SCHUBERT DRIVE	PENSACOLA	FL	32504	Y
090378	JOHNS MANVILLE	717 17TH ST	DENVER	CO	80202	
034037	JOHNSON CONTROLS EP	764-B LAKESIDE DRIVE	MOBILE	AL	36693	
043865	KUNZE JR, CHARLES EDWARD	25 W CEDAR STE 214	PENSACOLA	FL	32502	
084078	LAGAN CONSTRUCTION LLC	22375 BRODERICK DRIVE STE 155	STERLING	VA	20166	
084564	LUIS VIDAL + ARCHITECTS	1200 BRICKELL AVE SUITE 210	MIAMI	FL	33131	
059406	MADRIL BUILDERS LLC	1965 STOUT ROAD	CANTONMENT	FL	32533	
084565	MANHATTAN CONSTRUCTION COMPANY	3705-1 WESTVIEW DRIVE	NAPLES	FL	34104	
084566	MCFARLAND JOHNSON	1900 S HARBOR CITY BLVD SUITE 304	MELBOURNE	FL	32901	
084567	MEAD HUNT	2203 N LOIS AVENUE SUITE 225	TAMPA	FL	33607	
036709	MOTT MACDONALD FLORIDA	P O BOX 358061	PITTSBURG	PA	15251	
081060	MULLINS LLC	41 N JEFFERSON ST	PENSACOLA	FL	32502	
059552	NOVA ENGINEERING AND ENVIRONMENTAL LLC	P O BOX 745663	ATLANTA	GA	30374	
090382	PARTNER ARCHITECTURE	2010 W I-65 SERVICE RD S STE E	MOBILE	AL	36693	
084568	PERSONS SERVICES CORP	4474 HALLS MILL RD	MOBILE	AL	36693	
064219	POE, JAMIN DBA P3 CONSTRUCTION & ENERGY SOLUTIONS LLC	321 N DEVILLIERS ST STE 208	PENSACOLA	FL	32501	
082538	POND CO	9 DAUPHIN STREET SUITE 200	MOBILE	AL	36602	
065824	PRIME AE GROUP INC	2510 WEST CERVANTES STREET	PENSACOLA	FL	32505	
017263	QUINA GRUNDHOEFER ARCHITECTS	400 WEST ROMANA STREET	PENSACOLA	FL	32502	Y
069116	RJH & ASSOCIATES INC	215 GRAND BLVD STE 102	MIRAMAR BCH	FL	32550	Y
033161	ROY ANDERSON CORP	PO BOX 2	GULFPORT	MS	39502	
084569	RUDOLPH & SLETTEN	2 CIRCLE STAR WAY 4TH FLOOR	SAN CARLOS	CA	94070	
024578	SAM MARSHALL ARCHITECTS	325 SOUTH PALAFOX ST	PENSACOLA	FL	32502	Y
090384	STATE CONTRACTORS	4408 DELWOOD LANE STE 25	PANAMA CITY BEACH	FL	32408	
037798	STOA INT'L/FLORIDA INC DBA STOA ARCHITECTS	121 EAST GOVERNMENT ST	PENSACOLA	FL	32502	
020070	STROBEL & HUNTER INC	715 EAST GADSDEN ST	PENSACOLA	FL	32501	Y
076135	THE HASKELL COMPANY	111 RIVERSIDE AVENUE	JACKSONVILLE	FL	32202	
045430	THE WALSH GROUP	929 W ADAMS	CHICAGO	IL	60607	
027442	TODD, EDDIE S JR ARCHITECT	P O BOX 17623	PENSACOLA	FL	32522	
046225	TOWNES + ARCHITECT PA	2421 NORTH 12TH AVENUE	PENSACOLA	FL	32503	Y
082540	TUTOR PERINI	15901 OLDEN STREET	SYLMAR	CA	91342	
074824	WHARTON-SMITH INC	750 MONROE ROAD	SANFORD	FL	32771	
090383	WHITE SPUNNER CONSTRUCTION	2010 W I-65 SERVICE RD S	MOBILE	AL	36693	
079903	WSP USA INC	ONE PENN PLAZA	NEW YORK	NY	10119	
090380	YONKERS INDUSTRIES INC	9300 CONROY WINBDERMERE RD STE 2721	WINDERMERE	FL	34786	

Vendors: 82



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-399

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

AIRPORT - APPROVAL OF AMENDMENT NO 1. TO THE JESTA TOWERS, INC. LEASE AGREEMENT

RECOMMENDATION:

That City Council approve Amendment No. 1 to the lease agreement between the City of Pensacola and Jesta Towers, Inc. Further, that City Council authorize the Mayor to take all actions necessary to execute and administer Amendment No. 1, consistent with the Mayor's Executive Powers as granted in the City Charter.

HEARING REQUIRED: No Hearing Required

SUMMARY:

On January 3, 2005, the City entered into a twenty (20) year lease agreement with Jesta, Towers, Inc. ("Lessee") to lease Airport property adjacent to Jerry Maygarden Road for the installation and operation of a communications tower. The term of the agreement commenced on October 1, 2004 and terminated at midnight on September 30, 2024.

Prior to expiration, the Lessee notified the Airport that it wished to continue the lease after termination. To ensure compliance with Federal Aviation Administration ("FAA") Order 5190.6B, Chapter 17, the Airport engaged the services of Tuttle Armfield Wagner Appraisal & Research, Inc. to determine the fair market rental rate of the underlying land. Based on the results of the August 2024 appraisal, the Airport began negotiations with the Lessee and agreed to the following extension terms:

- One (1) additional five (5) year period
- Rent from October 1, 2024 – September 30, 2025, \$20,000
- Rent from October 1, 2025 – September 30, 2026, \$25,000
- Rent from October 1, 2026 – September 30, 2029, increase 3% annually
- Carrier fee of \$0.00 per month for the two current Subtenants and \$500.00 per month for each additional Subtenant

Staff is recommending that City Council approve Amendment No. 1 to the Jesta Towers, Inc. lease agreement.

PRIOR ACTION:

August 19, 2004 - City Council authorized the City Manager to enter into a twenty (20) year lease agreement with Jesta Towers, Inc., for the installation and operation of a communications tower.

FUNDING:

N/A

FINANCIAL IMPACT:

Lessee will pay a land lease rate of \$20,000 for the first year, \$25,000 the second year, and for each subsequent renewal year, the land lease rate will increase by 3% per year. In addition, Lessee will pay a fee of \$500.00 per month for any future Subtenant utilizing the improvements on the leased premises.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

STAFF CONTACT:

Tim Kinsella, City Administrator
Amy Miller, Deputy City Administrator
Matthew F. Coughlin, Airport Director

ATTACHMENTS:

1. Amendment No. 1 - Lease Agreement
2. Appraisal Report

PRESENTATION: No

AMENDMENT NUMBER 1

to

LEASE AGREEMENT

BETWEEN

JESTA TOWERS, INC.

AND

CITY OF PENSACOLA, FLORIDA

PENSACOLA INTERNATIONAL AIRPORT

**AMENDMENT NUMBER 1 TO
LEASE AGREEMENT**

THIS AMENDMENT NO. 1 TO LEASE AGREEMENT (hereinafter referred to as this “Amendment No. 1”) is made effective as of the day 30th of September, 2024 by and between the CITY OF PENSACOLA, a municipal corporation of the State of Florida with the address of 222 West Main Street, Pensacola, Florida 32502 (hereinafter referred to as “City”) and JESTA TOWERS, INC., a corporation authorized to do business in the State of Florida (hereinafter referred to as “Lessee”). (Each at times referred to as a “party” or collectively as “parties”).

WITNESSETH:

WHEREAS, City and Lessee have entered into a certain Lease Agreement dated January 3, 2005 (hereinafter collectively referred to as the “Agreement”); and

WHEREAS, the Agreement expires September 30, 2024, and the City has determined that it is in the best interest of the Pensacola International Airport (hereinafter referred to as “Airport”) to extend the term of the Agreement; and

WHEREAS, the Lessee has determined that it wishes to extend the term of the Agreement for an additional five years; and

WHEREAS, parties hereby agree to the terms and conditions added to the Agreement by this Amendment No. 1;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is agreed that the Agreement shall be amended as follows:

1. REVISED ARTICLE IV TERM

In Article IV “Term”, the following paragraph is hereby added:

Thereafter, Lessee has the option to renew this Lease for one (1) additional five (5) year period (“Term Extension”), which Lessee may exercise by execution of the First Amendment to this Lease, extending the total term of this Lease to September 30, 2029, unless sooner terminated pursuant to the terms and conditions of this Lease.

2. REVISED ARTICLE V RENTS & FEES

In Article V “Rental & Fees”, the following section is hereby added:

“Rents and Fees during Term Extension”

During the Term Extension, base rent for the Leased Premises shall be payable in the following amounts:

October 1, 2024 – September 30, 2025: \$1,666.67 per month.

October 1, 2025 – September 30, 2026: \$2,083.34 per month.

October 1, 2026 – September 30, 2027: \$2,145.84 per month.

October 1, 2027 – September 30, 2028: \$2,210.22 per month.

October 1, 2028 – September 30, 2029: \$2,276.52 per month.

Additionally, if, after full execution of the First Amendment to this Lease, Lessee subleases, licenses or grants a similar right of use or occupancy in the Leased Premises to an unaffiliated third party (each a “Subtenant”), Lessee agrees to pay to City a \$500.00 carrier fee per Subtenant per month for any Subtenant utilizing the improvements constructed upon the Leased Premises. Any existing Subtenant as of execution of the First Amendment to this Lease, will not be subject to the \$500.00 carrier fee. For avoidance of doubt, the Lessee has two existing Subtenants, which are Eliska Wireless Ventures I, Inc., successor & assigns (“TMobile”) and New Cingular Wireless PCS, LLC. successor & assigns (“AT&T Wireless”).

3. REVISED ARTICLE XXIV RENEWAL

In Article XXIV “Renewal”, the following paragraph is hereby added:

Should the City decide to relet the Leased Premises upon expiration of the Term Extension, the City may, but shall not be obligated to, publish a Request for Proposals (“RFP”), soliciting proposals for the use and occupation of the Leased Premises. Lessee may respond to any such RFP but has no guaranteed or preferential right, as against other third parties of re-letting the Leased Premises, or any improvements thereon. Should Lessee desire to relet the Leased Premises, Lessee shall submit a proposal in response to the RFP. Lessee’s proposal will be reviewed by the City along with other proposals, if any, in accordance with City’s purchasing guidelines.

- 4. The Agreement is made subject to the terms and conditions contained in Attachment “A” attached hereto.**

* * * * *

Terms not defined herein shall have the meaning ascribed to them in the Agreement. Except as amended above, all other terms and conditions of the Agreement not amended hereby shall remain in full force and effect. The Agreement as hereby amended is hereby ratified and affirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 effective as of the day and year first above written.

JESTA TOWERS, INC.

CITY OF PENSACOLA, FLORIDA

By _____
President

Mayor, D.C. Reeves

(Printed President's Name)

Attest: _____
City Clerk, Ericka L. Burnett

Approved as to Substance:

Attest _____
Corporate Secretary

Airport Director, Matthew F. Coughlin

Legal in form and execution:

(CORPORATE SEAL)

City Attorney, Adam Cobb

Attachment “A”

PUBLIC RECORDS: Lessee shall comply with Chapter 119, Florida Statutes. Specifically, Lessee shall:

- A.** Keep and maintain public records required by the City to perform the service.
- B.** Upon request from the City’s custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C.** Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following the completion of the Agreement if Lessee does not transfer the records to the City.
- D.** Upon completion of the Agreement, transfer, at no cost, to the City, all public records in possession of Lessee or keep and maintain public records required by the City to perform the service. If Lessee transfers all public records to the City upon completion of the Agreement, Lessee shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Lessee keeps and maintains public records upon completion of the Agreement, Lessee shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request of the City’s custodian of public records, in a format that is compatible with the information technology systems of the City.

Failure by Lessee to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Agreement by the City.

IF LESSEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE LESSEE’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE PUBLIC RECORDS COORDINATOR AT:

**THE OFFICE OF THE CITY CLERK, (850) 435-1715
PUBLICRECORDS@CITYOFPENSACOLA.COM
222 WEST MAIN STREET, PENSACOLA, FL 32502**



TUTTLE ARMFIELD WAGNER
APPRAISAL & RESEARCH, INC.

**REAL ESTATE APPRAISAL REPORT
TO ESTIMATE MARKET RENT
OF A CELL TOWER SITE
LOCATED AT:
WEST SIDE OF JERRY MAYGARDEN ROAD,
PENSACOLA, ESCAMBIA, FL 32504**

Prepared For:
Mr. Michael Laven
Pensacola Intl Airport
2430 Airport Blvd Suite 205
Pensacola, FL 32504

Effective Date of the Appraisal:
August 13, 2024

Date of the Report:
January 13, 2025

Prepared by:
TUTTLE-ARMFIELD-WAGNER APPRAISAL & RESEARCH, INC.
Matthew Jehs, MAI, State Certified General Real Estate Appraiser RZ2806
Dominic D'Alessandro, State Certified General Real Estate Appraiser RZ4536
File Name: AC24-2470

Tuttle-Armfield-Wagner Appraisals & Research, Inc.
412 E. New Haven Avenue, Melbourne, FL 32901

Matthew W. Jehs, MAI, Cert Gen RZ2806
Email: taw@t-a-w.com
Phone: (321) 723-7010

Gary DiGiacomo Cert Gen RZ1630
Email: tawres@t-a-w.com
Fax: (321) 723-4375

January 13, 2025

Mr. Michael Laven
Pensacola Intl Airport
2430 Airport Blvd
Suite 205
Pensacola, FL 32504

Re: Real Estate Appraisal Report to Estimate Market Rent of a
Cell Tower Site
West Side of Jerry Maygarden Road,
Pensacola, Escambia, FL 32504
File Name: AC24-2470

At your request, we have prepared an appraisal for the above referenced property. The subject property is legally described in the accompanying report, of which this letter is hereby made a part of and incorporated therein. This report is for your exclusive use and we are not responsible for any unauthorized use.

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). It presents a discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses is retained in our file.

The subject of this appraisal is a tract of land comprising 2,500 SF that is improved with a cell tower. The subject does not have an assigned address and the site is located on land owned by the City of Pensacola, in care of Pensacola International Airport. As per the request of the client, we are valuing the fair market rent of the **underlying land only**, as the cell tower improvements are owned by the tenant.

The property is further identified as West Side of Jerry Maygarden Road, Pensacola, Escambia, FL 32504 and Escambia County Property Appraiser Parcel ID 331S305101010005.

At the request of the client, the purpose of this appraisal is to estimate the Current Fair Market Rent in its "As Is" condition, effective August 13, 2024. This letter of transmittal is not an appraisal report; however, the attached report sets forth the data, research, and analyses that support our value conclusions.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Extraordinary Assumptions, we have made the following value conclusions:

Value Conclusions			
Premise	Interest Appraised	Effective Date	Value Conclusion
Current As Is Market Value	Fee Simple	8/13/2024	\$20,000 per year - \$25,000 per year
Annual Escalation		8/13/2024	3% per year
Percentage Rent		8/13/2024	N/A

This reflects current estimated market rent at the effective date of August 13, 2024. Please reference Page 5 of this report for important information regarding the Limiting Conditions and Assumptions; Page 7 for Extraordinary Assumptions, and Page 15 for scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology. Acceptance of this report constitutes an agreement with these conditions and assumptions.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the effective date of this appraisal. The intended users of this report are Pensacola Intl Airport, and is intended only for use by them in estimating the fair market rent of the subject property. Parties who receive a copy of this report do not become a party to the appraiser-client relationship and do not become intended users of this report unless the parties were specifically identified as such at the time of the engagement for services.

We believe you will find this report to be self-explanatory; however, you are invited to contact us should you have any questions or require further information relative to this matter. We thank you for the opportunity to provide our professional services.

Respectfully submitted,
Tuttle-Armfield-Wagner Appraisal & Research, Inc.


Matthew W. Jehs, MAI
Cert Gen RZ2806


Dominic D'Alessandro
Cert Gen RZ4536

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Limiting Conditions and Assumptions

1. Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.
2. This appraisal report covers the premises herein described only. Neither the figures herein nor any analysis thereof, nor any unit values derived therefrom are to be construed as applicable to any other property, however similar the same may be.
3. Information as to the description of the premises, restrictions, improvements and income features of the property involved in this report is as has been submitted by the applicant for this appraisal, or has been obtained by the signer hereto. All such information is considered to be correct; however, no responsibility is assumed as to the correctness thereof unless so stated in the report.
4. Possession of any copy of this report does not carry with it the right of publication, nor may it be used, or relied upon, for any purpose by anyone other than the client without prior written authorization of the client and identified as such herein, and in any event, only in its entirety. Parties who receive a copy of this report as a consequence of disclosure requirements applicable to our client do not become a party to the appraiser-client relationship and do not become intended users of this report unless the parties were specifically identified as such by our client at the time of engagement for services.
5. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent of the author; particularly as to the valuation conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute, or to the SRA or MAI designations.
6. The appraiser herein, by reason of this report is not required to give testimony in court or attend hearings, with reference to the property herein appraised, unless arrangements have been previously made therefore.
7. The Contract for the appraisal of said premises is fulfilled by the signer hereto upon the delivery of this report duly executed.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and zoning laws unless noncompliance is stated, defined and considered in the appraisal report. Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.
9. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. The appraiser does not consider mineral rights.

10. All data relating to land sales, improved property sales, and comparable rentals used in this report are considered to be proprietary; that is, owned by Tuttle-Armfield-Wagner. It is provided to the client for use within this report only. Any other use or distribution of this data without the prior written consent of Tuttle-Armfield-Wagner is specifically prohibited.
11. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
12. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
13. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Maps and plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.
14. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

Extraordinary Assumptions

An assumption is a statement or condition which is presumed or assumed to be true and from which a conclusion can be drawn. An extraordinary assumption is an assumption which if found to be false could alter the resulting opinion or conclusion. We note that the use of the following Extraordinary Assumptions might have an effect on assignment results if later found out to be untrue or faulty.

Extraordinary Assumptions

Information was provided by the client including the original ground lease documents, Tower design documents, and current lease information. No official site survey was available. We assume the provided information is accurate and unless indicated, the site does not have any negative impacts from easements, other encumbrances (than the lease), or encroachments.

Hypothetical Assumptions

A Hypothetical Condition is defined as follows: That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical Conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A Hypothetical Condition may be used in an assignment only if:

- Use of the Hypothetical Condition is clearly required for legal purposes, for purposes of reasonable analysis or for purposes of comparison;
- Use of the Hypothetical Condition results in a credible analysis;
- The appraiser complies with the disclosure requirements set forth in USPAP for Hypothetical Conditions.

Hypothetical Conditions

For this appraisal we employ the hypothetical condition that the site is vacant and available for development.

Identification of Subject

The subject of this appraisal is a tract of land comprising 2,500 SF that is improved with a cell tower. The subject does not have an assigned address and the site is located on land owned by the City of Pensacola, in care of Pensacola International Airport. As per the request of the client, we are valuing the fair market rent of the ***underlying land only***, as the cell tower improvements are owned by the tenant.

The property does not have a designated address but is located within Pensacola International Airport, on the West Side of Jerry Maygarden Road, Pensacola, Escambia County, FL 32504



Purpose of the Appraisal

At the request of the client, the purpose of this appraisal is to estimate the Current 'As Is' Market Rent of the subject property, effective August 13, 2024. In addition, we are including the estimated escalations and the current market driven additional percentage rental rate for sub tenant leasing.

Market Rent is defined as:

“The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).”

Source: *The Dictionary of Real Estate Appraisal, Seventh Edition*, Appraisal Institute, 2022.

Client

This appraisal report has been prepared for Mr. Michael Laven, with Pensacola Intl Airport located at 2430 Airport Blvd Suite 205 Pensacola, FL 32504.

Intended Use and User of Appraisal

Intended user of the report is specifically identified as the client. Parties who receive a copy of this report do not become a party to the appraiser-client relationship and do not become intended users of this report unless the parties were specifically identified as such at the time of the engagement for services. The client will rely upon this appraisal for internal use, including but not limited to, determining a vacant land lease rate for the property.

This report is not intended for any other use or user. No one other than the named client or any other party not identified as an intended user should use or rely on this appraisal for any purpose. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use.

Owner of Record and Sales History

The Escambia County Property Appraiser's Record Card indicates current ownership is listed as City of Pensacola. According to ownership, the subject is not currently listed for sale, or under contract. We assume this information is correct. Based on Information obtained from the client, various recognized published data sources and / or the county assessor's records, the subject property ownership history has no prior sales in the last three years. This information was verified with the Escambia County Property Appraiser records. We assume this information is accurate as described by ownership and public records, however, if further verification is required, we strongly suggest it be obtained via a current title search.

Existing Leases, Rentals or Use Agreements

According to the client contact, the subject property is currently being leased to Jesta Towers for use as a communication tower site. The lease commenced in October 2004 and has a term of 20 years terminating in September 2024. There are no options to renew in the lease and the lessee has no guaranteed or preferential right of reletting the leased premises following the termination of the original agreement.

Lease Abstract					
Address: West Side of Jerry Maygarden Road, Pensacola, Escambia County, FL 32504 Landlord: City of Pensacola Tenant: Jesta Towers, Inc. Commencement: 10/1/2004 Original Lease Term: 20 years Termination Date: 9/30/2024 Land Area Leased SF: 2500 Rent Escalations: CPI Adjustment every 5 years Options to Renew: No options to renew stated					
Year Starting	Subject Annual Rent Obligations	Rent Change	Base Rent Per Sq. Ft.	Option	Total Gross Rental Rate Per Sq. Ft.
10/1/2004	\$9,600.00	N/A	\$3.84		
10/1/2005	\$9,600.00	1.00000	\$3.84		
10/1/2006	\$9,600.00	1.00000	\$3.84		
10/1/2007	\$9,600.00	1.00000	\$3.84		
10/1/2008	\$9,600.00	1.00000	\$3.84		
10/1/2009	\$11,136.00	1.16000	\$4.45		
10/1/2010	\$11,136.00	1.00000	\$4.45		
10/1/2011	\$11,136.00	1.00000	\$4.45		
10/1/2012	\$11,136.00	1.00000	\$4.45		
10/1/2013	\$11,136.00	1.00000	\$4.45		
10/1/2014	\$12,250.00	1.10004	\$4.90		
10/1/2015	\$12,250.00	1.00000	\$4.90		
10/1/2016	\$12,250.00	1.00000	\$4.90		
10/1/2017	\$12,250.00	1.00000	\$4.90		
10/1/2018	\$12,250.00	1.00000	\$4.90		
10/1/2019	\$13,274.17	1.08361	\$5.31		
10/1/2020	\$13,274.17	1.00000	\$5.31		
10/1/2021	\$13,274.17	1.00000	\$5.31		
10/1/2022	\$13,274.17	1.00000	\$5.31		
10/1/2023	\$13,274.17	1.00000	\$5.31		
Comment: Expenses/Maintenance: Tenant is responsible for all operating expenses including utilities, maintenance, insurance, and property taxes. Percentage Rent: Tenant may not sublease all or any portion of the leases premises or all or any portion of the improvements without first obtaining written consent of the City. No monthly fee or percentage of rent is specified in the lease documents for colocation. Airport Operations. If non-compliance or interference occurs with airport operations, the lessee must resolve it within 48 hours or cease operations and resort to intermittent use for testing. All associated costs fall on the lessee. The City prioritizes airport safety and can demand an immediate operational halt if necessary. If FAA regulations or runway approaches change, the lessee must modify, remove, or relocate the tower at their expense within the City's timeframe, with the City assuming no liability for related claims.					

The scope of this assignment is not to analyze any existing agreement, it is to estimate the current market rent of the subject property, per the definition of market rent as defined herein.

Legal Description

The following Legal Description was obtained from public record. We assume it is correct but strongly advise a current title policy be obtained if further verification is necessary.

Legal Description

LEASED TO JESTA TOWERS INC 2,500 SQ FT
COMMUNICATIONS TOWER PENSACOLA REGIONAL
AIRPORT SEC 17 T 15 R 29 W

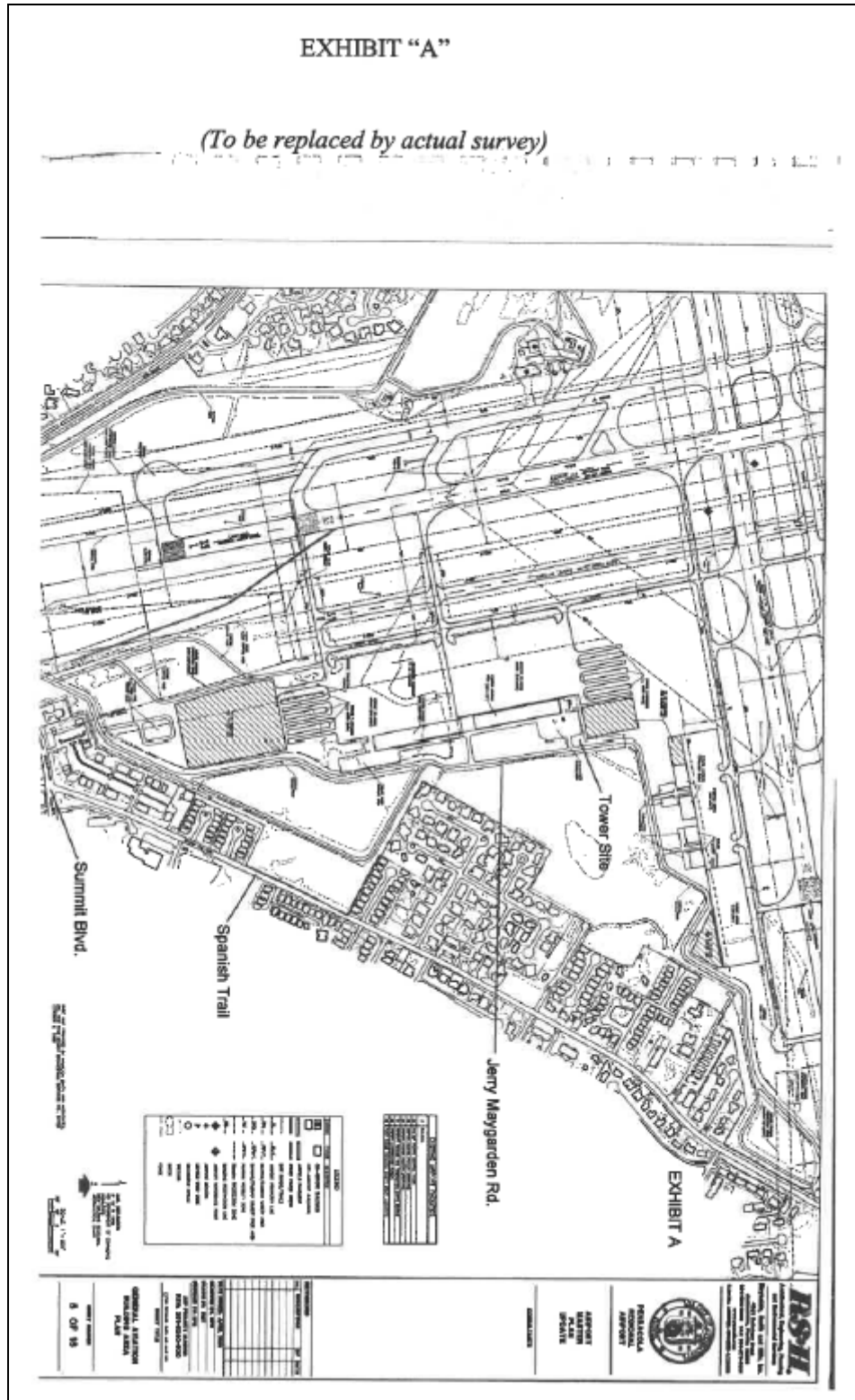
Address: West Side of Jerry Maygarden Road, Pensacola, Escambia County, FL 32504
Parent Parcel ID: 331S305101010005

Parent Parcel Map

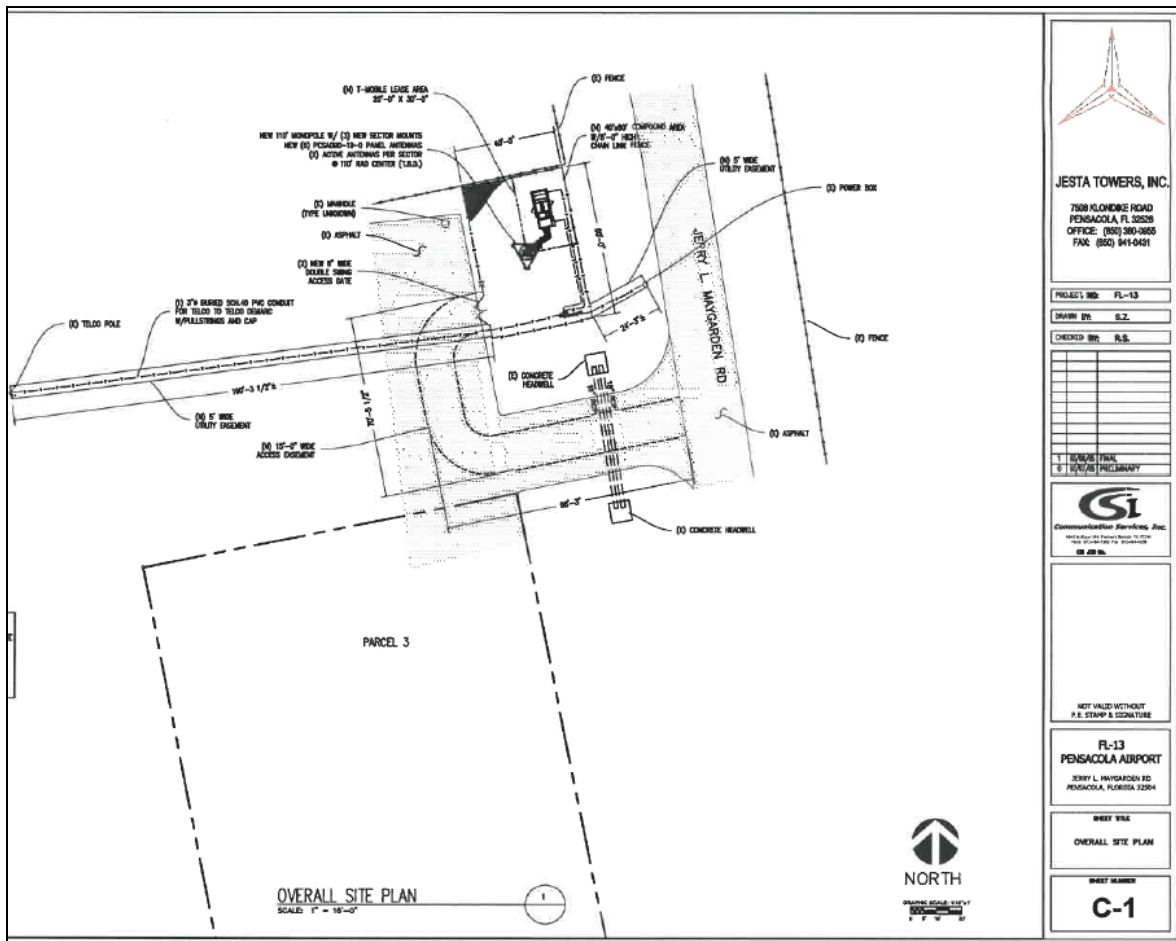


Appraiser's Note: The subject site, as per information provided by the client and the Escambia County Property Appraiser, encompasses an area of approximately 2,500 square feet, with dimensions of 50 feet by 50 feet. This site is situated within a larger parent parcel measuring 100 feet by 75 feet, totaling 7,500 square feet.

Subject Exhibit



Original Design Plans



Aerial View



The aerial depictions are from the Escambia County Property Appraiser records. The property boundaries are not exact. They are for illustrative purposes only.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user. Therefore, the appraiser must identify and consider:

- the client and intended users of the report as well as the intended use;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

Scope Summary - Definition of the Problem

Problem

The purpose of the appraisal is to estimate the Current Market Rent Value of the subject property on an "As Is" basis.

Intended Use

The client will rely upon this appraisal for internal use, including but not limited to, determining a vacant land lease rate for the property.

Intended User(s)

Intended user of the report is specifically identified as the client. Parties who receive a copy of this report do not become a party to the appraiser-client relationship and do not become intended users of this report unless the parties were specifically identified as such at the time of the engagement for services.

Appraisal Report

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used.

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). It presents a discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses is retained in our file.

Utilized Approaches to Value

Sales Comparison Approach

☒

When Market Value is sought, three traditional approaches to value are typically applied; the Cost Approach, Sales Comparison Approach, and Income Approach. To determine Market Rent, a Lease Comparison is conducted. This analysis is completed by arraying a number of signed leases and active listings on competitive properties, and adjusting them for differences in market conditions, lease terms, physical characteristics, etc. of the competitive units. This method is most similar to the Sales Comparison Approach in an appraisal seeking Market Value.

Scope of Work

Property Identification

The subject has been identified by the assessors' parcel number, legal description, and address.

Is this a 'Land Only' appraisal?

No

Inspection

At the client's request, the property was not inspected by the appraisers. We reviewed Aerial Photography, viewed client provided documentation, and reviewed public records.

Zoning

A review of zoning and applicable land use controls has been made.

Market Analysis

The subject marketing area and surrounding neighborhoods within the county were examined in order to determine factors that significantly affect the subject property. Local land use policies, community support facilities, traffic patterns, demographics, and development trends were considered. A summary of the most pertinent details is presented.

Highest and Best Use Analysis

An "As Vacant" and "As Improved" H&BU analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the most reasonably probable and maximally productive use was concluded.

Information Sources

The appraiser maintains a comprehensive database for this market area and has reviewed the market for sales, rentals and listings relevant to this analysis. In addition, market data acquired in the course of previous appraisal work is retained in the appraiser's work files. Other sources include, but are not limited to the following: Multiple Listing Services, public records, interviews with brokers, buyers, and sellers, appraisal files, published articles and surveys. Information pertaining to this data was verified by one or more parties involved with, or having reliable knowledge of, each individual transaction when possible.

Information Not Available

We had sufficient information to conclude a reliable value conclusion.

Comments

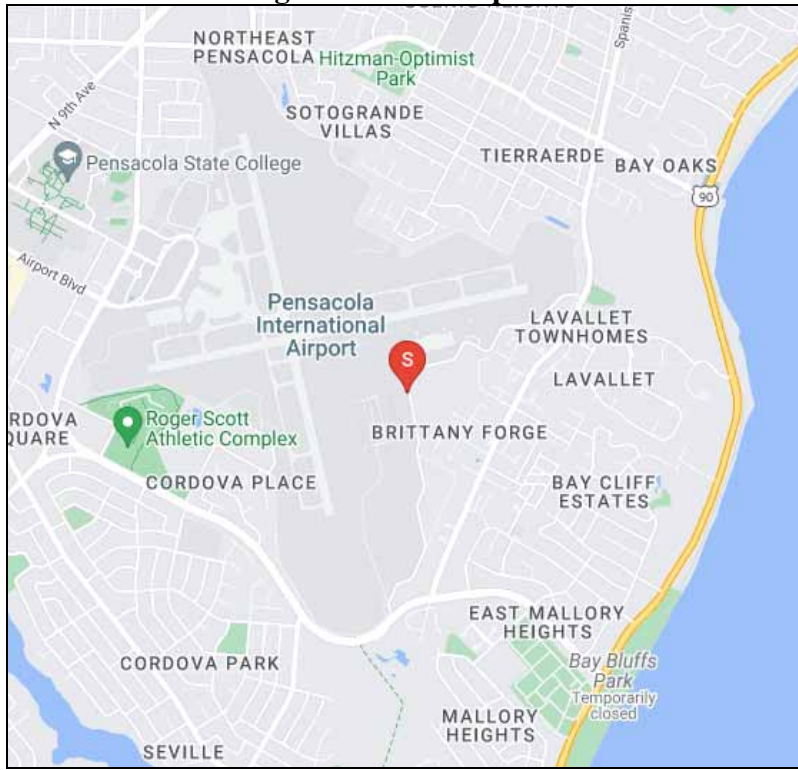
The employed methods and level of analysis provides a credible value conclusion for the subject property.

Competency Comment

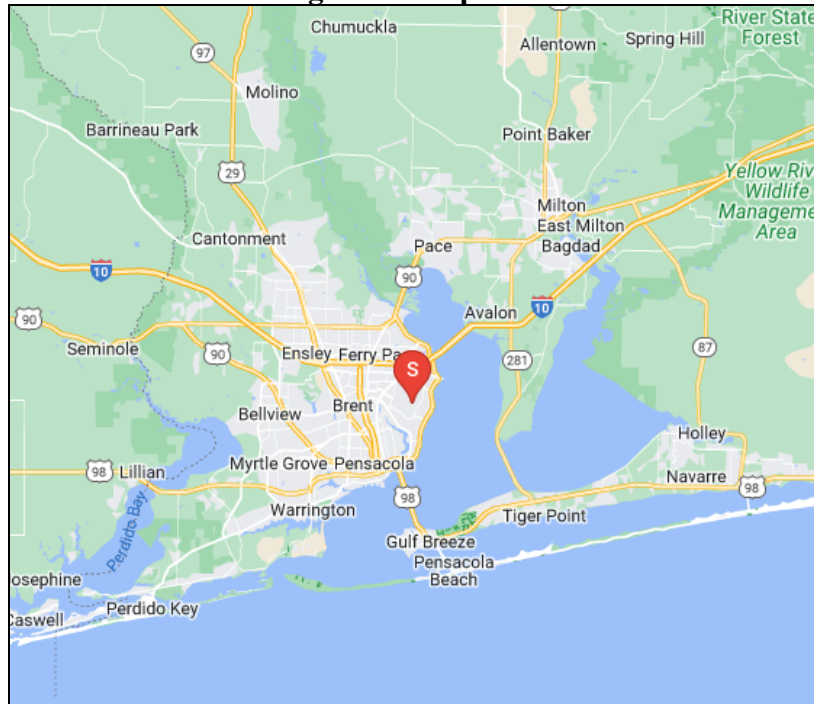
The person(s) signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

Location Maps

Neighborhood Perspective



Regional Perspective



Neighborhood Analysis

Neighborhood Analysis

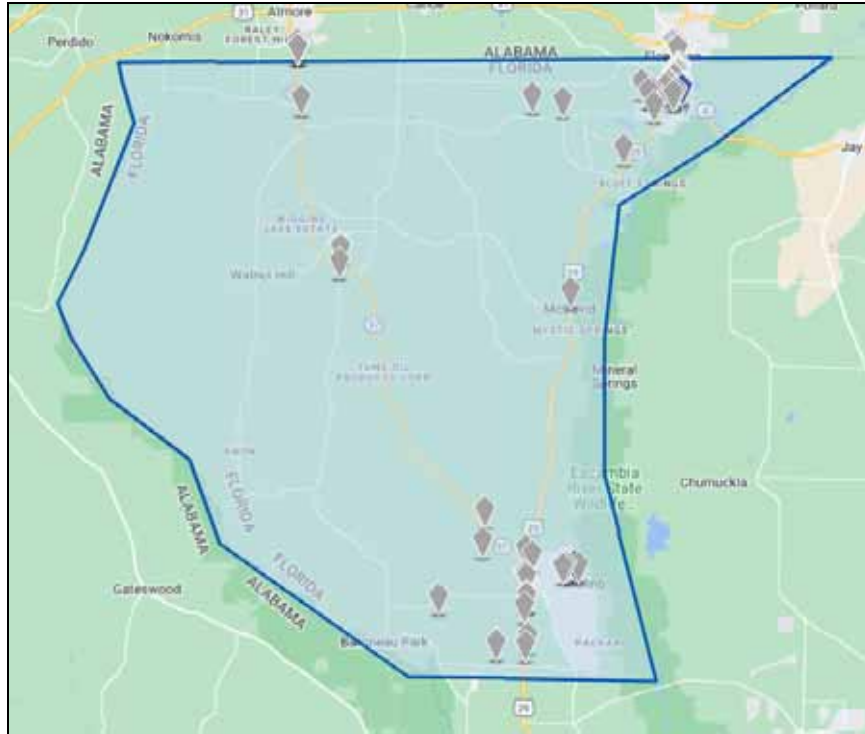
The subject is located within the municipal limits of the City of Pensacola, which is located in Escambia County, the furthestmost west county in the Panhandle of Florida. Pensacola is one of two incorporated cities in Escambia. The other incorporated city is Century, located in the northeast portion of the county. Pensacola is located almost 3 hours due west of Tallahassee, and 1 hour east of Mobile Alabama. There are approximately 657 square miles in Escambia County, and there was a recorded population of 321,905 in the 2020 Decennial Census, this increased since the 2010 census where a population of 297,619 was recorded.

The subject's neighborhood may be defined by Interstate 10 to the north, Interstate 110 to the west, the Escambia Bay to the east, and Pensacola Bay to the south.

Escambia County

The county boundaries are primarily geographical in nature. The western boundary is shared with the state of Alabama and the border is located along the Perdido River. The eastern boundary is shared with Santa Rosa County to the east with a natural boarder, the Escambia River. The northern boundary is a political boundary with the state of Alabama. The southern boundary is strictly geographic, as the Gulf of Mexico lies beyond Santa Rosa Island to the south.

The northern areas in the county, north of the unincorporated Cantonment area, are primarily characterized by farmlands. The exception to this is the town of Century, the only incorporated town or city aside from Pensacola. The town's primary economic driver since 1991 has been the employment from the Florida Correctional Facility, the Century Correctional Institution. Before, the town was a sawmill company town, the city incorporated in 1945 and was unofficially founded in 1901.



There are 72 properties in the above area, north of the Cantonment census designated area. The Average asking rent per square foot was recorded at \$10.17 per square foot, sales prices average at \$123 per square foot, and the market cap rate was reportedly 7.8%

Between Cantonment and Century are farmlands and low-density housing broken up by various census-designated places, which appear to be characterized with a singular industrial core business. Including, but not limited to: Sawmills, county offices, solar farms, water treatment facilities, & recreation areas.

Pensacola Beach

Pensacola Beach is an area located on Santa Rosa Key. This barrier island is within county limits of both Escambia and Santa Rosa Counties. The below map, highlights commercial properties, as recorded by Costar, excluding vacant land and multifamily improvements.

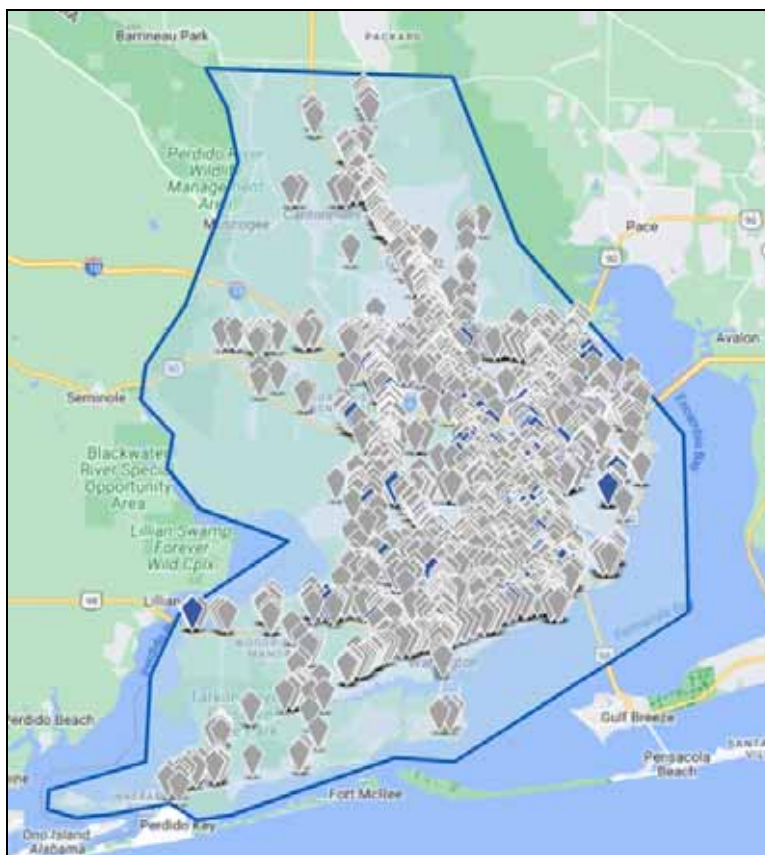


There are 76 properties, including restaurants, freestanding retail, banks, convenience stores, to name a few. 11 properties are in development. The overall average market asking rents are \$22.53 per square foot, the sales price average was \$188 per square foot, the market cap rate was reportedly 7.5%

Pensacola

Pensacola was incorporated in 1822, the 2020 Census recorded a population of 54,312 persons, up by 4.6% from the 51,923 figure as recorded by the 2010 Census. The city is the largest in the county and has a dense urban area that is supported by income brought in by the naval air base and from tourism.

The below map represents the city of Pensacola and surrounding neighborhoods, the area includes the progression north beyond the city limits and toward the Cantonment CDA to the north. The market data for all tracked property types, excluding land and multifamily improvements, was recorded as follows: Asking rents were recorded by Costar at \$17.03 per square foot. The sale price average was reported at \$122 per square foot. The market cap rate was recorded at 8.5% for July 2024.



Surrounding Neighborhoods

The neighboring census designated areas (CDAs) contribute to the urban sprawl of Pensacola. To the south is the Warrington CDA, which connects to municipal city limits of Pensacola to the north to the Naval Air Station, this is primarily a residential community, and the Florida Highway 292 along with North Navy Boulevard are where most commercial land improvements are located. The Woodridge Manor area is a residential area with some retail facilities and institutional facilities located along U.S. Route 98, and is located west of Warrington. The West Pensacola neighborhood lies west of the Pensacola Downtown "Seville Historic District, this area has residential improvements along interior roadways with office and retail improvements located along U.S. Route 90, U.S. Route 98 and New Warrington Road. The Bellview CDA is bisected by U.S. Route 90; the retail commercial land uses are located along the primary roadways of Saufley Field Road and the Florida 10A / U.S. Route 90 linkages, residential land uses along secondary and tertiary linkages are located along the neighborhood interiors. Brent is a CDA that lies west of the Pensacola International Airport, Brent Lane (also known as Beverly Parkway & West Michigan Avenue) is the primary east to west linkage for the area, the commercial improvements are located along this linkage as well as U.S. Route 29 & the interchanges along Interstate 110. We note that there is a railway that runs through the area serving the industrial needs for the area and a railyard is located in the southeastern area. The Northwest Pensacola area has I-10 and U.S. Route 90 cross through from Alabama, into the Pensacola city limits, eastward further into the Florida Panhandle. The Ensley area has U.S. Route 90 & Interstate 10 intersect with U.S. Route 29, Retail land improvements dominate this area and are located along the U.S. 90 & U.S. Route 29 linkages.

The City of Pensacola

Known as much for its white sand beaches as for its military, the Pensacola area is served by multiple primary transportation arteries, including several state highways that provide access to Interstate 10, which runs east to Jacksonville and west all the way to California.

The U.S. military contributes significantly to the economy in Pensacola, and Naval Air Station Pensacola employs more than 16,000 military and 7,400 civilian personnel. Divisions located here include Naval Aviation Schools Command, Naval Air Technical Training Center, Marine Aviation Training Support Group 21 and 23, the Blue Angels, and the headquarters for Naval Education Training Command. NAS Pensacola is also one of only four military installations in the continental U.S. with an active runway and a deep-water port.

Top employers in Ft Pensacola include Navy Federal Credit Union, Corry Station, Ascend Performance Materials, Baptist Health Care Corporation, and the Pensacola VA Clinic. Each of these companies employs more than 1,000 in the Pensacola area.

There are a total of 69 public schools in the Escambia County School District serving roughly 38,000 students, and the area is home to campuses the University of West Florida, Pensacola State College, Pensacola Christian College, and several specialty & technical schools.

Pensacola International Airport is located roughly three miles from the central business district, provides both commercial and private air service, and offers non-stop flights to 15 U.S. cities. Operated by the City of Pensacola, it has an average of 80 daily departures and serves about 4,000 passengers per day.

The Port of Pensacola, the westernmost port in the State of Florida, is a full-service port offering deep-water access on the northern Gulf of Mexico. It has stevedore and marine terminal services for bulk, break-bulk, unitized freight, and special project cargo. It is situated on 50 acres and offers easy access for interstate and rail transportation.

The southern area of the municipal city limits is where the Historic Downtown area is located, this includes the Seville Historic District.

Downtown

Pensacola Mayor D.C. Reeves unveiled the conceptual plans for a "reimagined" Palafox Street on Tuesday that transforms the sidewalks and intersections along the already iconic street to have brick pavers and 51 more trees.

The plan would make the street even more pedestrian-friendly by widening crosswalks and adding more mid-block crosswalks. The brick pavers would add four times the pervious surface to the street to allow for better drainage.

The project, as proposed, would eliminate the 24 parking spaces on Palafox Street between Garden and Romana Streets and another 12 spaces between Romana and Intendencia Streets.

However, other parking changes in the plan within a block of Palafox Street would mean that the area would only see a total net loss of three parking spaces.

Reeves announced in May that the city was working on a conceptual design for the project, which is being done in partnership with Florida Power and Light as part of its \$86 million upgrade to downtown Pensacola's power grid.

Reeves also wants the project to be one of the first uses of the new parking revenue coming into the city after parking changes earlier this year.

The plan covers the area from the Garden Street intersection all the way to Main Street. The proposal adds red brick pavers to all pedestrian sidewalks, widens most of the sidewalks, and adds more mid-block crossings.

The intersection with Garden Street would be reconfigured with the elimination of the westbound right-turn-only lane from Garden to Palafox and the elimination of the southbound left-turn-only lane from Palafox to Garden. The two changes add 12 on-street parking spaces to the area.



Airport Development Trends

In July 2024 Governor Ron DeSantis awarded the Pensacola State College \$4.4 million toward the planned Aviation Maintenance Training Academy to be constructed at the Pensacola International Airport. Construction of the training facility is anticipated to begin this fall and take about 15 months to complete, according to PSC President Ed Meadows. “We committed to producing close to 1,000 certifications over a 10-year period in aviation mechanics,” Meadows said. “The money will actually be used in part for part of the construction of the building, and then there will be money for equipment and scholarships, as well as remuneration to our faculty that are working and teaching the students.”

The \$4.4 million covers about a third of the \$15 million facility, with other funding sources including Triumph Gulf Coast and Public Education Capital Outlay funding from the Florida legislature. The program will be open to the general public, but will include a focus on engaging veterans and dual-enrollment high school students.

Pensacola will likely pay for much of the Pensacola International Airport terminal expansion with a bond issue.

Pensacola Mayor D.C. Reeves said the city is seeking all possible funding sources to pay for an approximately \$90 million terminal expansion that will add five new gates to an airport bursting at the seams. The first week of July saw the airport set another record in the number of passengers boarding planes.

The \$4 million design and engineering work of the expanded terminal is getting underway, and city spokesman Jason Wheeler said design plans are expected to be 30% complete by March, which will give the city enough information to have realistic cost estimates for construction.

Previous cost estimates of \$70 million are several years old at this point, and Reeves said Tuesday the number was probably closer to \$90 million.

Florida Gov. Ron DeSantis signed a state budget last week that included \$5 million for the airport expansion. Reeves said finding a way to pay for the needed airport expansion remains his top legislative priority, but there will have to be an amount that is financed through bonds that will be repaid from airport revenue.

"We have looked at what our bonding ability is if we had to take on the whole thing ourselves, two-thirds of it ourselves," Reeves said. "You play those scenarios out, but we're desperate enough that we're going to make something happen."

Reeves said he believes the city's willingness to bond the project helped the \$5 million allocation from the Florida Legislature avoid DeSantis' veto pen, and he hopes it will help the city get more funding.

Reeves already plans to meet with Florida Department of Transportation Secretary Jared Perdue about seeking more state help to fund the airport, and when he travels to Washington, D.C., later this year Reeves plans to "pound the pavement" to meet with federal officials and make the case for Pensacola.

Regardless of how successful Reeves' is in seeking funding for the expansion, Reeves said the project is going to happen. The drawback to funding more of the project through a bond issue is it will drive up airlines' costs to operate at the airport, which could mean fewer flights in the future.

"We want to be careful, and my job is to go to Capitol Hill and go to Tallahassee and try to have us bond as little as possible and have our state and federal partners help us as much as possible," Reeves said. "And they have avenues to do that, whether it be FDOT, the legislature, or (the Federal Aviation Administration) terminal grant program. It's an annual program. We didn't get anything last year, but those come due in August, and we hope that us being this much further along in the project will help us get funding from the FAA as well."

Reeves said he would like the project to begin construction as soon as the design is complete.

Wheeler said when design plans hit 30% in March the city could then go to the bond market if that option is entertained. The 30% design will also allow the city to meet criteria requirements of the FAA's Terminal Grant Program next summer, Wheeler said.

Reeves said the rush to expand the airport is a good problem to have. "A great problem to have is we've got an airport in demand, and one that people want to use," Reeves said. "We've just got to now anticipate and meet that growth where it is. So, my willingness to bond and the airport's willingness to bond increases every day, every time I come to you to tell you we just broke the record for the number of people that walk through the front door."

Access & Linkages

The subject area has good access with respect to traffic system and linkages. The Escambia County Transit Authority provides public bus service to various destinations throughout the County. However, the primary mode of transportation in the area is the personal automobile.

Interstate 10 is the primary limited access highway within Brevard County. It extends in an east/west direction throughout the county and the northwest-coast of Florida. South Escambia contains six interchanges, with the closest one to the subject being at the U.S. Route 90 / SR 10A intersection.

Interstate 110 connects I-10 to the downtown Pensacola area in the south side of the city. This intersects with U.S. Route 90 / SR 10A and terminates with U.S. Route 98 / East Garden Street further south.

U.S. Route 98 / East Garden Street is a east / west linkage that spans across the south and western border of the Florida Gulf Coast from the Alabama / Florida border to the west to Spring Hill (north of Tampa), here the linkage diverts through the City of Lakeland and across the state around Okeechobee and into the West Palm Beach on the east coast of Florida.

U.S. Route 90 / SR 10A connects to the Alabama and Florida boarder at the west end of the county, and wraps around the south side of Pensacola. The linkage continues north around Escambia Bay, north of the City Limits, it passes though the Ferry Pass CDA and across the Escambia River.

The North 9th Avenue linkage connects Pensacola with the Ferry Pass CDA and has a variety of multifamily residential and commercial land improvements. These include, but are not limited to; Pensacola State College, Cordova Mall, Ascension Sacred Heart Pensacola Hospital,

State Road 291 has the second most proximate interchange with I-10 to the subject. It connects Ferry Pass to Brent and Pensacola. The University Town Plaza is the largest mall complex along the linkage.

Summit Boulevard an east / west linkage that connects North 12th Avenue from the west, to U.S. Route 90 to the east.

North 12th Avenue intersects North 9th Avenue and progresses northward as Tippin Avenue until it terminates at Interstate 10. The linkage progresses southward towards the airport, passing around the west side, and runs down south until it splits into East Fairfield Drive, where it then travels south through residential neighborhoods and into the northern downtown Pensacola neighborhood.

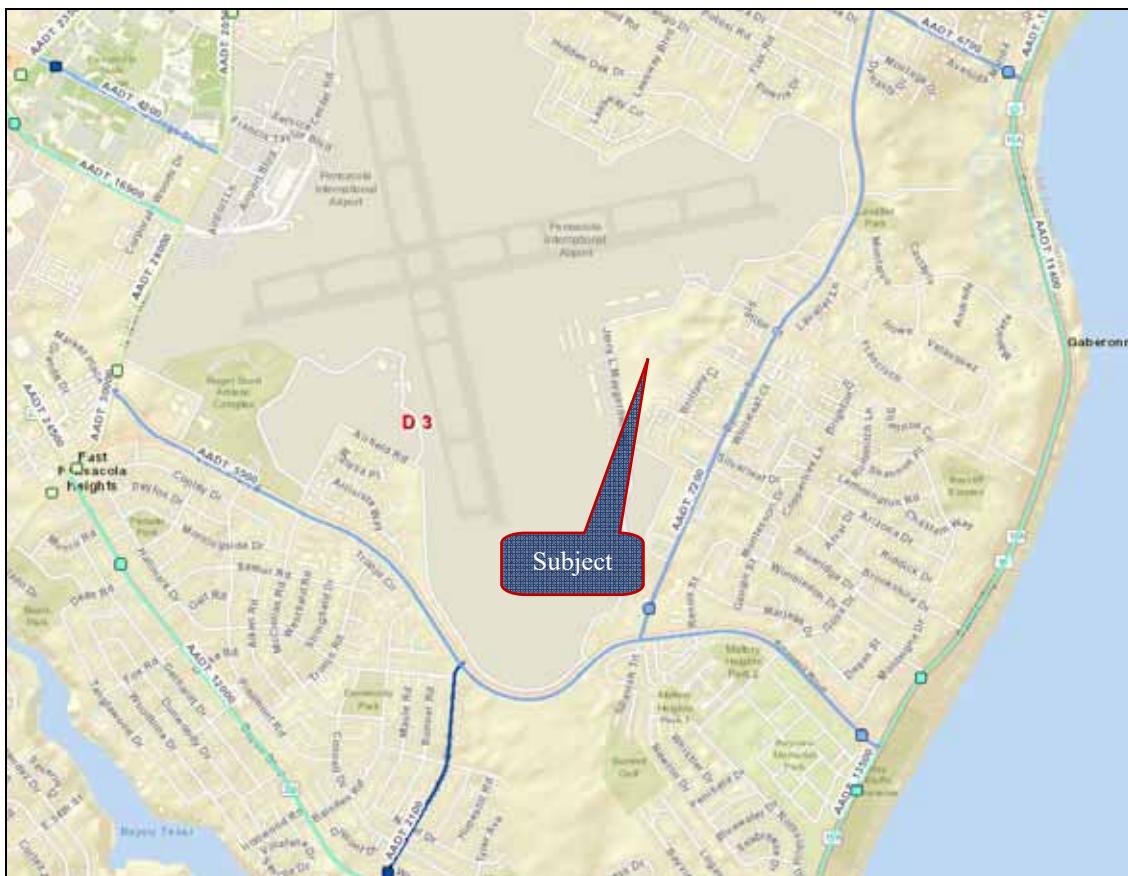
Spanish Trail runs parallel to Jerry L Maygarden Road and primarily serves the residential neighborhoods to the north. The southern end of the linkage terminates at a golfing sports center, and north of the intersection with Summit Boulevard the street there is a concentration of office improvements.

Located behind (southeast) the Pensacola International Airport, Jerry L Maygarden Road is a tertiary linkage that serves the southern and eastern hangers of the airport. The subject is located along this linkage.

Traffic Count Map

The Traffic Levels were not reported along Jerry L Maygarden Road. A traffic count map for roadways in the area is located below and the subject is highlighted.

In the subject's area, no traffic levels are recorded along Jerry L Maygarden Road. Traffic levels are measured along nearby linkages, Summit Boulevard an east / west linkage, had traffic levels measured on an annual average daily basis at 5,500 in 2023 at a monitoring site to the west of the intersection with U.S. Route 90 / SR 10A. To the east, Spanish Trail runs parallel to Jerry L Maygarden Road and annual average daily traffic levels were reported at 7,200. U.S. Route 90 / SR 10A recorded traffic levels at 13,500.



Summary and Conclusion:

Pensacola, Florida boasts a strong economic foundation anchored by its diverse industries, including aviation, aerospace, defense, healthcare, and tourism. The presence of Naval Air Station Pensacola, one of the Navy's most significant airfields, and the growing Pensacola International Airport contribute to the area's economic vitality and attractiveness for businesses. The city's ongoing efforts to revitalize its downtown and waterfront districts further enhance its appeal.

Pensacola's strategic location on the Gulf Coast, coupled with its skilled workforce and business-friendly environment, positions it for continued growth and development. The area's expanding healthcare sector, tourism industry, and focus on fostering innovation and entrepreneurship create a promising outlook for future economic activity.

No adverse neighborhood conditions are known or were observed that would negatively impact the subject property's utilization according to its highest and best use as determined in this report.

Zoning

Requirements noted below are not intended to represent all applicable aspects of the ordinance. They do provide the reader with knowledge of general legal parameters.

Zoning Summary	
Zoning Authority	City of Pensacola
Zoning Code	ARZ
Zoning Type/Description	Airport Restricted Zone
Zoning Intent/Summary	The airport land use district is established for the purpose of regulating land, owned by the Pensacola International Airport or immediately adjacent to the airport, which is considered sensitive due to its relationship to the runways and its location within noise zones "A" and "B" as defined in chapter 12-10. Land zoned ARZ is owned by the city and allows only open space, recreational or commercial and industrial uses customarily related to airport operations. The areas designated as airport transitional zones are permitted a range of uses.
Permitted Uses	Airport, airport terminal, air cargo facilities, and uses customarily related to airport operations and expansions. Golf course, tennis court, driving range, par three course, outdoor recreational facilities, provided that no such uses shall include seating or structures to accommodate more than 100 spectators or occupants. Service establishments such as auto rental and travel agencies, commercial parking lots and garages, automobile service station and similar service facilities. Warehousing and storage facilities. Industrial uses compatible with airport operations. Commercial uses to include hotels, motels, extended stay facilities, pharmacy, restaurant and drive through facilities, banks, office, post secondary education facilities, meeting facilities, dry cleaner, health club, exercise center, martial arts facility, bakery, floral shop, day care/child care facility, medical clinic, doctor and dentist offices, and retail services to include specialty shops and studios; or other similar or compatible uses. Other uses that the city council may deem compatible with airport operations and surrounding land uses pursuant to the city's comprehensive plan and the airport master plan and as such uses that meet the FAA's requirements for airport activities.
Future Land Use	Airport
Minimum Lot Area	There are no minimum requirements for lot size or yards, except that the development plan shall take into consideration the general development character of adjacent land uses. The maximum combined area occupied by all principal and accessory buildings shall be 50 percent.
Maximum Building Height	For the ATZ-1 and ATZ-2 zoning districts the maximum height for residential structures is 35 feet and for office, commercial or aviation-related facilities, is 45 feet. Communications towers and rooftop-mounted antennas may be permitted within the ATZ-1 and ATZ-2 districts upon conditional use permit approval in accordance with section 12-3-108. Provided, however, that no structure shall exceed height limitations established in section 12-10-2(a).
Deed Restrictions/Moratoriums	To our knowledge, there are no land use regulations other than zoning that would affect the property. Further, there is no moratorium on development.
Entitlements	We were provided no information by ownership that the subject site possesses any Entitlements which would affect the subject site. We assume that the subject does not have Entitlements in place which would significantly affect the value.

Assessment and Taxes

Real Estate Assessment and Taxes					
Tax ID	Total Assessment	Millage Tax Rate	Ad Valorem Taxes	Non Ad Valorem Taxes	Total Parcel Taxes
331S305101010005	\$15,221	16.8689	\$256.76	\$0.00	\$256.76

The tax year runs from January 1st to December 31st. Real estate taxes in Escambia County are paid one year in arrears (2022 taxes are paid in 2023), and are due and payable November 1st of each year or as soon thereafter as the certified tax roll is received by the Tax Collector from the Property Appraiser. Properties in Escambia County are assessed Ad Valorem Taxes and Non-Ad Valorem Taxes. Ad valorem taxes, or real property taxes, are based on the value of such property. Non-ad valorem assessments are NOT based on value but are set amounts. The Non-Ad Valorem Taxes the subject is responsible for goes toward solid waste disposal and emergency medical services. According to Florida law, assessments are to be at 'Full Just Value'. This term is generally held to be 100% Market Value, less reasonable costs of sales. It has been our experience, however, that assessments vary widely in relation to market value as defined in this report. Reassessments are annual based on a calendar year.

Tax History			
Assessed Year	Total Assessment	Taxes	% Change
2019	\$15,221	\$264	
2020	\$15,221	\$262	-0.7%
2021	\$15,221	\$266	1.3%
2022	\$15,221	\$259	-2.6%
2023	\$15,221	\$257	-0.8%

Property Description

The following description is based on our property inspection, public records, and a survey.

Site Summary	
Parcel ID	331S305101010005
Location	The subject does not have an assigned address. It is located Pensacola International Airport Land and is on the West Side of Jerry Maygarden Road, Pensacola, FL, 32504.
Current Use	Improved with a communications tower.
Proposed Use	Continued Use
Traffic Count (Most Recent)	Not Recorded
Map Latitude	30.470009
Map Longitude	-87.180929
Adjacent Land Uses	The subject property is situated within Pensacola International Airport, surrounded on three sides by aviation-related uses like hangars and tarmac. To the east, the property borders Jerry L Maygarden Rd, followed by a vacant wooded area.
Site Analysis & Comments	Regarding the subject site, the dimensions provided are too small for most building uses. The site appears suitable for communication towers.
Site Size Attributes	
Gross Land Area (Sq Ft)	2,500
Gross Land Area (Acres)	0.06
Usable Land Area (Sq Ft)	2,500
Usable Land Area (Acres)	0.06
Excess Land Area Comments	There is no indicated excess land. The subject Floor Area Ratio (FAR) meets or exceeds current building trends for this property type.
Usable Land Area Comments	Other than the setback ordinances required by zoning, we have been provided no information that any of the subject land is unuseable.
Source for Site Size	Property appraiser record card and client provided documents.
Site Size Analysis	The size of the subject limits the number of potential users. This amount of land is less than most building requirements in the area. It is designed to be enough land for a footprint of a communications tower, but the size is insufficient for most other uses. As if vacant, it has utility primarily to hold for future development.
Site Utilities	
Adequacy of Utilities	Utilities are typical of the surrounding properties and allow for the adequate use of the subject property.
Public Electricity	The site is served by public electricity.
Water Supply Type	Available but not required.
Sewer Type	Available but not required.

Site Characteristics	
Corner Lot	is not
Dimensions	The site measures 50' x 50'.
Primary Frontage Street Name	Jerry L Maygarden Rd
Frontage - Primary Street (Feet)	50
View	Average
View Description	The primary street frontage is along Jerry L Maygarden Rd. The subject has no view amenity.
Access	Average
Access Description	The site is accessed via Jerry L Maygarden Rd which is a public road that runs along the eastern border of the Pensacola International Airport.
Site Visibility	Average
Site Visibility Description	The site is visible from Jerry L Maygarden Rd.
Site Improvements	The subject has a gravel base and a variety of improvements to support the existing communication tower, but these are not included in our analysis of the site, 'As Vacant'. However, it is noted that the existence of these tenant-owned improvements does positively impact the current market rent/negotiating power of the land owner.
Off-Site Improvements	The off-site improvements consist largely of the improved roadways and municipal utilities.
Drainage	There is an on-site retention area towards the eastern boundary. We assume this adequately services the site, but we were not provided with information regarding whether the site currently meets the on-site compensatory stormwater requirements.
Landscaping	The subject has average landscaping.
Topography	The subject has level topography at grade and no areas of wetlands.
Shape	The site is roughly rectangular.
Soil Conditions	The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. The appraiser does not consider mineral rights.

Site Hazards	
FEMA Map #	12033C0385G
FEMA Map Date	9/29/2006
Flood Zone	X
Flood Zone Comments	The Flood Zone X classification denotes areas that are “determined to be outside the 500-year flood”, and are considered to be of minimal flood hazard. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
Encumbrance / Easement Description	There no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Environmental Issues	We were not provided with an Environmental Survey report addressing potential contaminants or hazards. No adverse environmental conditions on the subject site were reported to the appraisers, and we assume the site is free and clear of environmental hazards. Please reference Limiting Conditions and Assumptions.
Encroachments	No encroachments onto the subject property were noted by inspection or survey. We assume there are no encroachments onto the subject site.
Percent Wetlands	
Retention	Off-Site
Possible Nuisance	The subject site is located within an active airport, so consistent noise from aircraft takeoffs and landings is expected. However, this is unlikely to be a concern given the site's intended use for a communication tower.

Flood Map



Subject Photographs

	
Subject Tower Site	Subject Tower Site
	
Subject Tower Site	

Appraisers Note: At the request of the client the subject site was not inspected in person. The photos above are sources from google maps dated April 2022.

Improvements Description

The subject site is improved by a 110ft cell tower owned by Jesta Towers. For the purposes this appraisal we employ the hypothetical condition that the site is vacant and available for development for a communications tower.

Market Analysis

Cell Tower Market Data and Background

The installation of a communication tower is widely done in the private sector for the placement of antennae arrays. However, the trends for all communication towers are not similar. While cell phone communication towers are often improved on leased land, radio and TV towers are predominantly located on owner-occupied land held by the station.

Recently, the expansion of cell phone networks has led to widespread leasing of underutilized land for the development of cell phone towers. These have been placed in a variety of zoning classifications. It is relatively common for one party to own the underlying land, one party to own the tower improvements, and one or several entities to lease space on the tower. Combined, there are six primary service providers that each want to compete for the subscriber base in and around Escambia County. Each of these wireless voice and data providers need towers and/or above ground antenna mounting locations to improve network coverage and capacity equating to an ongoing need to deploy more infrastructure, especially in areas of greater residential density. They are AT&T Wireless; T-Mobile; Verizon Wireless; Tampnet; C Spire Wireless; and Southern Linc.

Most network service providers do not own the antenna mounting structure on which they attach their equipment. Tower companies typically construct and own the monopole, lattice or guyed tower and market that tower for lease space to the service providers. A service provider may also contract with a tower owner to get approval to construct a tower in a particular location and once the facility is constructed the service provider will lease space on the newly constructed tower.

In Escambia County there are four primary tower companies who own and lease their vertical real estate to the service providers and they are: American Tower Corporation, Crown Castle, Pinnacle Towers, and SBA Towers.

A cell tower lease is a contract to provide access services and shared use of vertical space on a tower, as well as portions of the land underneath the tower for tenant equipment. Generally, wireless carrier tenants (e.g., Verizon, AT&T, T-Mobile) lease this cell tower space from landlords (e.g., tower companies, commercial real estate owners, private individuals). The terms of these leases usually encompass an initial non-cancellable period of 5 to 10 years, with the possibility of up to four additional 5-year renewal terms. Consequently, the duration of such leases can range from a minimum of 25 years to as much as 50 years, making them a long-term commitment for both parties involved.

Financial Dynamics of Cell Tower Leases

In terms of financial implications, the leasing rates for cell towers in the United States are on average between \$1,500 to \$3,500 per tenant per month. Annually, this translates to \$18,000 to \$42,000 per tenant. If a cell tower has multiple tenants, this could lead to annual revenue ranging between \$36,000 and \$84,000.

Contrary to practices in international markets such as Europe, China, and India, where the second and third co-locating tenants often enjoy significant discounts, the U.S. market typically does not offer such benefits. In addition, it is standard in the U.S. for tenant leases to include rent escalators, which are generally fixed at an annual rate of 3%. This escalator clause contributes to the potential for increased revenue for the landlord over the duration of the lease.

Factors Influencing Cell Tower Lease Rates

There are multiple variables that contribute to the determination of cell tower leasing rates, and understanding these can offer valuable insights for both tenants and landlords:

- **Geographical Location:** Towers situated in densely populated urban areas command higher lease rates, mainly due to the increased subscriber base and the high value of land in these regions.
- **Vertical Space:** Also known as wind load surface area, this factor considers the amount of space a tenant occupies for equipment like antennas and remote radio units (RRUs). More space typically correlates with higher leasing rates.
- **Equipment Weight:** The mass of the equipment, measured in pounds per linear foot, is another factor affecting leasing rates. Heavier equipment requires a more robust infrastructure, hence commanding a higher leasing rate.
- **Tower Height:** The height of a tower above ground level (AGL) significantly impacts its leasing rates. Higher towers offer superior line-of-sight for antennas, resulting in a broader transmission range, especially crucial in areas with challenging topographies like hills and mountains.
- **Zoning and Permitting:** Stringent zoning and permitting regulations can increase lease rates due to the limitations they place on where new towers can be erected. Locations with restrictive zoning laws usually have higher lease rates as the supply of available sites is limited.
- **Network Design:** Wireless carriers often define a "search ring" within which they identify suitable leasing sites. The demand and supply dynamics within this ring can tilt the negotiating power towards the tower owner, leading to increased lease rates.

Alternative Leasing Options and Future Trends

Rooftop antenna leases offer a viable alternative, especially in densely built urban areas where zoning restrictions limit ground-based tower constructions. However, these rooftop leases typically command lower rates, in the range of \$1,000 to \$3,000 per month.

The rollout of 5G technology is adding a new dimension to the cell tower leasing market. The increased equipment and weight load required for 5G is expected to impact lease rates significantly. As 5G necessitates more vertical space and weight capacity, it's reasonable to anticipate that 5G cell tower lease rates will trend upwards in the near future.

In summary, cell tower leases are multifaceted arrangements influenced by various financial and non-financial factors. As the industry evolves with technological advancements like 5G, the dynamics of these leases are likely to undergo significant changes, making it imperative for stakeholders to stay abreast of the latest trends and considerations.

Cell Tower Site Values

Upward Pressures on Lease Values

1. **Technological Advancements (5G):** The accelerated deployment of 5G networks is a significant driver of increased lease values. According to a 2024 report by Steel in the Air, 5G installations have led to a substantial boost in subtenant revenues for tower owners, translating to higher lease rates. As 5G adoption continues to grow, this trend is expected to persist.
2. **Zoning Restrictions:** Stringent zoning regulations continue to limit the development of new cell towers, creating a scarcity of available sites. This scarcity has been highlighted in numerous industry publications, including Inside Towers, which reports on the challenges and delays faced by tower developers in securing permits and approvals.
3. **Lower-Range Spectrum Technologies:** The deployment of lower-range spectrum technologies, such as C-band and millimeter-wave frequencies, necessitates a denser network of cell towers. A 2024 study by Landmark Dividend LLC emphasizes the need for increased cell site density to support these technologies, further increasing the value of existing sites.
4. **Long-Term Leases and Rising Construction Costs:** Long-term leases and the escalating costs of tower construction act as deterrents to tower relocation. Wireless carriers are increasingly opting for long-term agreements to secure their network infrastructure, as evidenced by recent deals reported by Inside Towers.

Downward Pressures on Lease Values

1. T-Mobile/Sprint Merger: The merger between T-Mobile and Sprint has resulted in the decommissioning of thousands of redundant sites. A 2023 report by Light Reading estimated the decommissioning of over 15,000 Sprint sites, potentially leading to an oversupply of available sites and downward pressure on lease rates.
2. Small Cell Deployment: While not a direct replacement for macro towers, the deployment of small cells is becoming more prevalent, especially in dense urban areas. The IBISWorld report on Cell Site Operation and Leasing in the US indicates a steady growth in this sector, potentially reducing the demand for shorter traditional towers.
3. Aggressive Lease Renegotiation Tactics: Wireless carriers are increasingly employing aggressive negotiation tactics to secure lower lease rates. This trend has been observed by industry experts, including those at Steel in the Air, who note that carriers are utilizing third-party firms to optimize their lease agreements.
4. Build-to-Relocate Strategies: The practice of building new towers near existing ones to facilitate equipment transfer is a tactic employed by some carriers to devalue existing sites. This strategy has been reported in several industry publications, including Inside Towers.
5. Lower Annual Escalation Rates: Carriers are pushing for lower annual escalation rates in lease agreements, typically at or below 2%. This trend has been observed across the industry and can limit the long-term revenue growth potential for landowners.

Existing Antenna Locations

In our research, we contacted the Escambia County Property Appraiser to obtain cell tower site locations. We were informed that the county does not have a specific property use code for cell towers, classifying them under the broader category of utility land uses. To overcome this limitation, we utilized the FCC Antenna Structure Registration search system to identify potential cell tower sites. We focused our search on structures within Escambia County, using the following criteria:

Structure Codes: GTOWER (Guyed Structure Used for Communication), LTOWER (Lattice Tower), MTOWER (Monopole), NNGTANN (Guyed Tower Array), NNLTANN (Lattice Tower Array), NNMTANN (Monopole Array), TOWER (Free Standing or Guyed Structure), UTOWER (Unguyed - Free Standing Tower)

Status: Constructed

Height: Between 40 ft and 500 ft

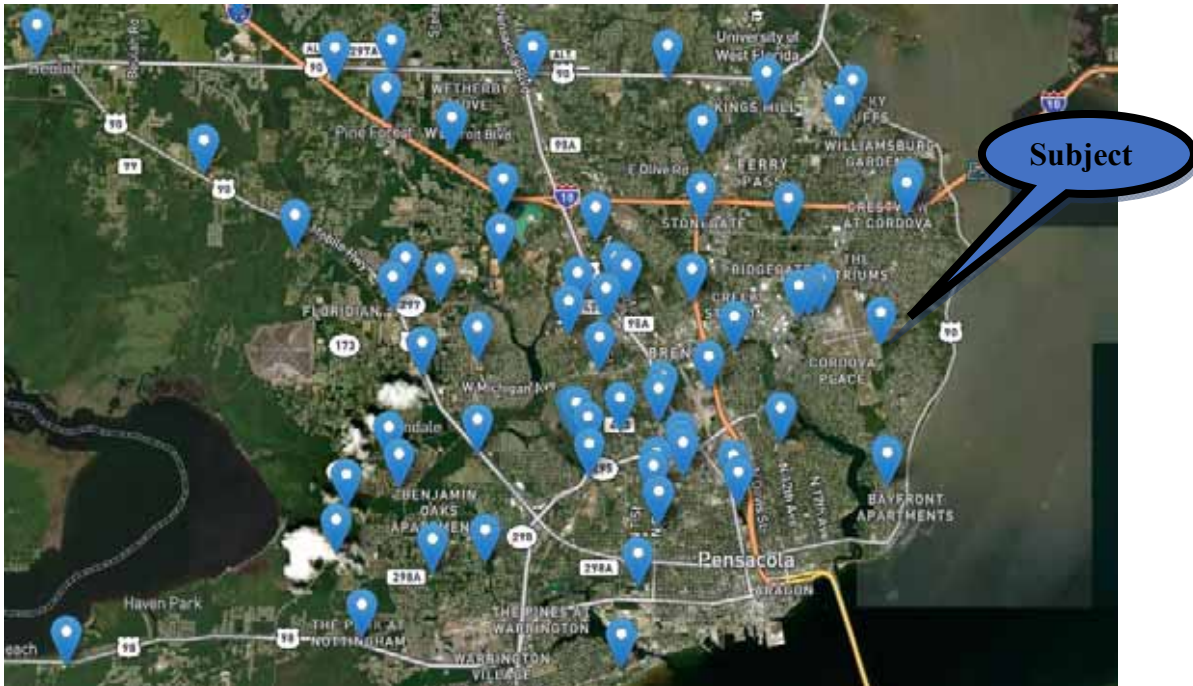
This targeted search yielded 125 results, representing cell tower sites within the county. The details of these results are presented below.

#	Registration Number	Status	File Number	Owner Name	Structure City / State	Overall Height Above Ground (AGL)
68	1241049	Constructed	A1167910	ADX Communications of Escambia	Pensacola, FL	55.7
89	1290274	Constructed	A1126845	Alltel Corporation	Pensacola, FL	45.4
103	1316703	Constructed	A1249309	Alltel Corporation	McDavid, FL	88.7
104	1316798	Constructed	A1196367	Alltel Corporation	Pensacola, FL	12.8
105	1316831	Constructed	A1198137	Alltel Corporation	Pensacola, FL	12.7
106	1316852	Constructed	A1189722	Alltel Corporation	Pensacola, FL	12.8
107	1316854	Constructed	A1187187	Alltel Corporation	Pensacola, FL	12.8
108	1317044	Constructed	A1179405	Alltel Corporation	Pensacola, FL	12.8
109	1317124	Constructed	A1189721	Alltel Corporation	Pensacola, FL	12.8
110	1317128	Constructed	A1193588	Alltel Corporation	PENSACOLA, FL	12.8
111	1317132	Constructed	A1194385	Alltel Corporation	PENSACOLA, FL	12.8
112	1317221	Constructed	A1190132	Alltel Corporation	Pensacola, FL	12.8
113	1317279	Constructed	A1198266	Alltel Corporation	Pensacola, FL	12.6
114	1318005	Constructed	A1195641	Alltel Corporation	Pensacola, FL	12.5
115	1318010	Constructed	A1196093	Alltel Corporation	Pensacola, FL	12.7
116	1318595	Constructed	A1203809	Alltel Corporation	Pensacola, FL	12.8
117	1318670	Constructed	A1198143	Alltel Corporation	Pensacola, FL	12.7
122	1320161	Constructed	A1205182	Alltel Corporation	Pensacola, FL	12.5
125	1326275	Constructed	A1258287	Alltel Corporation	PENSACOLA, FL	48.2
74	1251239	Constructed	A1055144	ALLTEL WIRELESS HOLDINGS, LLC	Pensacola, FL	48.7
1	1021702	Constructed	A1181607	American Towers LLC	Pensacola, FL	81.7
24	1032477	Constructed	A1275768	American Towers LLC	Pensacola, FL	89.3
48	1212085	Constructed	A1280733	American Towers LLC	Pensacola, FL	45.7
56	1225625	Constructed	A1289102	American Towers LLC	Pensacola, FL	53.3
57	1227025	Constructed	A1040433	American Towers LLC	McDavid, FL	97.5
58	1227178	Constructed	A1040441	American Towers LLC	McDavid, FL	94.1
65	1236711	Constructed	A1202905	American Towers LLC	Pensacola, FL	61.0
77	1253584	Constructed	A1167138	American Towers LLC	McDavid, FL	77.7
78	1254406	Constructed	A1167128	American Towers LLC	Century, FL	86.8
86	1285135	Constructed	A1181972	American Towers LLC	Warrington, FL	30.5
45	1209994	Constructed	A1156747	American Towers, LLC	Cantonment, FL	94.5
47	1211848	Constructed	A1156788	American Towers, LLC	Pensacola, FL	57.9
41	1202255	Constructed	A0140525	Ashland Construction Communications Company	PENSACOLA, FL	49.0
98	1305150	Constructed	A1129927	Branch Towers, LLC	Pensacola, FL	48.7
31	1047123	Constructed	A0055453	CATHEDRAL OF PRAISE MINISTRIES	PENSACOLA, FL	112.5
19	1030493	Constructed	A1031048	CCATT LLC	Pensacola, FL	74.4
66	1237292	Constructed	A1029648	CCATT LLC	McDavid, FL	64.0
82	1259682	Constructed	A1085812	CCATT LLC	Pensacola, FL	55.2
85	1273776	Constructed	A1027396	CCATT LLC	Pensacola, FL	56.7
87	1285798	Constructed	A1046223	CCATT LLC	Pensacola, FL	45.7
88	1286568	Constructed	A1109073	CCATT LLC	Pensacola, FL	39.6
37	1066019	Constructed	A1280082	Cellco Partnership	PENSACOLA, FL	49.1
32	1048331	Constructed	A0583248	Cellular South Real Estate, Inc.	PENSACOLA, FL	36.6
15	1029875	Constructed	A0211187	Central Water Works, Inc.	MCDavid, FL	67.4
91	1293795	Constructed	A0938275	City of Pensacola	Pensacola, FL	137.8
43	1205041	Constructed	A0306007	Corporate Woods Six, LLC	Pensacola, FL	36.5
2	1022993	Constructed	A1013560	Crown Castle GT Company LLC	PENSACOLA, FL	59.1
3	1022994	Constructed	A1196350	Crown Castle GT Company LLC	PENSACOLA, FL	48.2

4	1022995	Constructed	A1053894	Crown Castle GT Company LLC	BEULAH, FL	90.8
6	1024117	Constructed	A1013574	Crown Castle GT Company LLC	PENSACOLA, FL	60.3
7	1024289	Constructed	A1013583	Crown Castle GT Company LLC	PENSACOLA, FL	49.7
40	1201416	Constructed	A1014428	Crown Castle GT Company LLC	Century, FL	60.6
39	1066115	Constructed	A1016529	Crown Castle South LLC	PENSACOLA, FL	49.7
62	1231508	Constructed	A1016936	Crown Castle South LLC	Pensacola, FL	48.8
84	1266697	Constructed	A1206556	Crown Castle Towers 06- 2 LLC	Gonzalez, FL	97.5
52	1217719	Constructed	A1018829	Crown Communications LLC	Pensacola, FL	50.3
100	1309078	Constructed	A1223286	Diamond Towers V LLC	Molino, FL	79.9
121	1319593	Constructed	A1223086	Diamond Towers V LLC	Century, FL	94.5
36	1060330	Constructed	A1140018	Divine Word Communications	PENSACOLA, FL	114.3
23	1031325	Constructed	A0037124	EASY MEDIA INC DBA = WBSR	PENSACOLA, FL	77.1
94	1295948	Constructed	A1190349	Eco-Site LLC	Pensacola, FL	45.7
95	1296975	Constructed	A1190345	Eco-Site LLC	Pensacola, FL	45.7
51	1216880	Constructed	A0216219	ERWIN,GORDON	PENSACOLA, FL	108.5
67	1238906	Constructed	A0385997	ESCAMBIA COUNTY BOARD OF COUNTY COMMISSIONERS AS TRUSTEES FOR THE ESCA	PENSACOLA, FL	69.2
8	1028864	Constructed	A0942595	ESCAMBIA, COUNTY OF	MOLINO, FL	97.5
9	1028865	Constructed	A0034268	ESCAMBIA, COUNTY OF	PENSACOLA, FL	112.7
10	1028866	Constructed	A0034270	ESCAMBIA, COUNTY OF	PENSACOLA, FL	51.8
11	1028867	Constructed	A0034271	ESCAMBIA, COUNTY OF	BRATT, FL	112.8
12	1028868	Constructed	A1289849	ESCAMBIA, COUNTY OF	PENSACOLA, FL	43.6
93	1295598	Constructed	A0942614	ESCAMBIA, COUNTY OF	Molino, FL	97.8
14	1029873	Constructed	A1183537	Florida Power & Light Company	CANTONMENT, FL	61.0
92	1294157	Constructed	A1183535	Florida Power & Light Company	Bellview, FL	34.4
97	1301937	Constructed	A1183532	Florida Power & Light Company	Cantonment, FL	56.4
35	1060071	Constructed	A1100265	Florida, State of	PENSACOLA, FL	69.8
55	1224804	Constructed	A0920813	Global Tower, LLC. through American Towers, LLC	Pensacola, FL	54.8
59	1229187	Constructed	A0920951	Global Tower, LLC. through American Towers, LLC	Pensacola, FL	38.7
73	1250527	Constructed	A0475536	Jesta Towers, Inc.	Pensacola, FL	33.5
25	1037650	Constructed	A0284468	Keen,Levell	CANTONMENT, FL	109.8
63	1232460	Constructed	A1254424	L3Harris Technologies, Inc.	Century, FL	115.8
20	1030898	Constructed	A0036600	MIRACLE RADIO INC DBA = WSWL RADIO	PENSACOLA, FL	107.6
79	1254945	Constructed	A0549341	Miracle Radio, Inc.	Pensacola, FL	91.4
69	1241134	Constructed	A0786438	Naval Facilities Engineering Command Southeast	Pensacola, FL	47.5
22	1031122	Constructed	A0120727	PENSACOLA, CITY OF	PENSACOLA, FL	82.3
123	1320563	Constructed	A1282839	PI Tower Development LLC	Pensacola, FL	60.7
44	1208417	Constructed	A1021153	Pinnacle Towers Acquisition LLC	PENSACOLA (ENSLEY), FL	68.3
53	1219220	Constructed	A1021232	Pinnacle Towers Acquisition LLC	Pensacola (Ensley), FL	64.0
13	1029328	Constructed	A1019647	Pinnacle Towers LLC	PENSACOLA, FL	111.6
16	1030346	Constructed	A1019684	Pinnacle Towers LLC	PENSACOLA, FL	128.9
17	1030347	Constructed	A1019685	Pinnacle Towers LLC	PENSACOLA, FL	129.5
18	1030348	Constructed	A1019686	Pinnacle Towers LLC	PENSACOLA, FL	102.4
27	1039186	Constructed	A1019939	Pinnacle Towers LLC	PINE FOREST, FL	97.5
28	1039190	Constructed	A1019943	Pinnacle Towers LLC	MOLINO, FL	144.5
34	1055216	Constructed	A1256926	Pinnacle Towers LLC	PENSACOLA, FL	97.5
49	1214232	Constructed	A1020682	Pinnacle Towers LLC	Pensacola, FL	109.7
90	1291537	Constructed	A1020929	Pinnacle Towers LLC	McDavid, FL	79.2
76	1253221	Constructed	A0812628	SBA 2012 TC Assets, LLC	Walnut Hill, FL	96.0
80	1256251	Constructed	A1198513	SBA 2012 TC Assets, LLC	Pensacola, FL	46.9
42	1202563	Constructed	A1273466	SBA Properties, LLC	Pensacola, FL	47.5

50	1215612	Constructed	A1256357	SBA Properties, LLC	Pensacola, FL	48.8
30	1040779	Constructed	A1256350	SBA Sites, LLC	Pensacola, FL	48.5
60	1230033	Constructed	A0835756	SBA Structures, LLC	Pensacola, FL	60.6
61	1230034	Constructed	A1257588	SBA Structures, LLC	Pensacola, FL	48.2
54	1221010	Constructed	A0590663	SBA Towers II LLC	Century, FL	77.4
81	1259149	Constructed	A1289723	SBA Towers III LLC	Century, FL	77.7
29	1039194	Constructed	A1256354	SBA Towers, LLC	Pensacola, FL	71.0
33	1048595	Constructed	A1264158	SBA Towers, LLC	PENSACOLA, FL	73.2
72	1244172	Constructed	A0461999	SKIPPER,GUY	PENSACOLA, FL	54.3
124	1325930	Constructed	A1277839	Skyway Towers, LLC	Cantonment, FL	48.5
46	1210882	Constructed	A0535720	Subcarrier Communications Inc	PENSACOLA, FL	97.5
64	1233924	Constructed	A1273955	SWI Funds Tower Holdings, LLC	Pensacola, FL	54.9
96	1301323	Constructed	A1175350	TC Tower Acquisitions, LLC	McDavid, FL	112.7
5	1022996	Constructed	A1106979	THE DISTRICT BOARD OF TRUSTEES, PENSACOLA STATE COLLEGE, FL.	PENSACOLA, FL	39.0
26	1038245	Constructed	A0781323	The District Board of Trustees, Pensacola State College, Florida	PENSACOLA, FL	127.2
83	1263115	Constructed	A1023712	T-Mobile USA Tower LLC	Pensacola, FL	50.3
99	1309047	Constructed	A1193579	T-Mobile USA Tower LLC	Pensacola, FL	46.3
70	1242538	Constructed	A1023393	T-Mobile West Tower LLC	Pensacola, FL	50.3
71	1242566	Constructed	A1023400	T-Mobile West Tower LLC	Pensacola, FL	50.3
75	1251538	Constructed	A1023523	T-Mobile West Tower LLC	Pensacola, FL	50.3
101	1313840	Constructed	A1172277	Uniti Towers LLC	Molino, FL	96.0
102	1314390	Constructed	A1182648	Uniti Towers LLC	Century, FL	88.4
21	1031007	Constructed	A1175815	VB Nimbus, LLC	PENSACOLA, FL	152.1
118	1319269	Constructed	A1203058	VB Nimbus. LLC	Pensacola, FL	59.7
119	1319270	Constructed	A1203057	VB Nimbus. LLC	Pensacola, FL	59.7
120	1319271	Constructed	A1203054	VB Nimbus. LLC	Pensacola, FL	59.7
38	1066042	Constructed	A1262607	VB-S1 Assets, LLC	PENSACOLA, FL	103.9

The image below shows the location of a number of the cell sites pulled from the search above.



Our analysis further revealed that a majority of cell towers in Escambia County are owned by six primary groups: Alltel Corporation, American Tower LLC, Crown Castle, Pinnacle Towers, SBA Towers, and T-Mobile. The following table details the top tower owners and the number of towers they own within the county:

Owner	# of Towers
Alltel Corporation	19
American Tower LLC	14
Crown Castle	10
Pinnacle Towers	11
SBA Towers	11
T-Mobile	5

Market Rent Estimate

To assess the market relevance of the current lease rate and terms, we began by seeking comparable cell tower leases within Escambia County. Our initial outreach to major tower owners, including American Tower LLC, Crown Castle, SBA Towers, and T-Mobile, proved unsuccessful. These companies were unwilling to share industry information, citing the competitive nature of the market. This underscored the guarded nature of lease data within the industry, hindering our ability to benchmark the subject lease against prevailing market conditions. We expanded our search to include the County of Escambia and all cities within the county, seeking any publicly available cell tower leases. Unfortunately, no such leases had been executed on city or county land within the past five years. This necessitated a broader search across the entire state of Florida.

Through public records requests, we contacted numerous counties and cities throughout Florida, but only a handful provided lease information, which is detailed below. To supplement this limited data, we interviewed several cell tower builders to gain insights into current market rates and conditions. The scarcity of responses and the limited availability of comparable leases underscore the challenges in determining definitive market rates for cell tower ground leases in this region. However, the collected data and expert insights provide valuable context for evaluating the subject lease.

Market Rent Estimate

We have researched a number of comparables for this in order to estimate market rent as of August 13, 2024. Following are detailed comparable cell tower ground lease contracts utilized in this analysis.

Subject Lease Abstract

Lease Abstract					
Address: West Side of Jerry Maygarden Road, Pensacola, Escambia County, FL 32504 Landlord: City of Pensacola Tenant: Jesta Towers, Inc. Commencement: 10/1/2004 Original Lease Term: 20 years Termination Date: 9/30/2024 Land Area Leased SF: 2500 Rent Escalations: CPI Adjustment every 5 years Options to Renew: No options to renew stated					
Year Starting	Subject Annual Rent Obligations	Rent Change	Base Rent Per Sq. Ft.	Option	Total Gross Rental Rate Per Sq. Ft
10/1/2004	\$9,600.00	N/A	\$3.84		
10/1/2005	\$9,600.00	1.00000	\$3.84		
10/1/2006	\$9,600.00	1.00000	\$3.84		
10/1/2007	\$9,600.00	1.00000	\$3.84		
10/1/2008	\$9,600.00	1.00000	\$3.84		
10/1/2009	\$11,136.00	1.16000	\$4.45		
10/1/2010	\$11,136.00	1.00000	\$4.45		
10/1/2011	\$11,136.00	1.00000	\$4.45		
10/1/2012	\$11,136.00	1.00000	\$4.45		
10/1/2013	\$11,136.00	1.00000	\$4.45		
10/1/2014	\$12,250.00	1.10004	\$4.90		
10/1/2015	\$12,250.00	1.00000	\$4.90		
10/1/2016	\$12,250.00	1.00000	\$4.90		
10/1/2017	\$12,250.00	1.00000	\$4.90		
10/1/2018	\$12,250.00	1.00000	\$4.90		
10/1/2019	\$13,274.17	1.08361	\$5.31		
10/1/2020	\$13,274.17	1.00000	\$5.31		
10/1/2021	\$13,274.17	1.00000	\$5.31		
10/1/2022	\$13,274.17	1.00000	\$5.31		
10/1/2023	\$13,274.17	1.00000	\$5.31		
Comment: Expenses/Maintenance: Tenant is responsible for all operating expenses including utilities, maintenance, insurance, and property taxes. Percentage Rent: Tenant may not sublease all or any portion of the leases premises or all or any portion of the improvements without first obtaining written consent of the City. No monthly fee or percentage of rent is specified in the lease documents for colocation. Airport Operations. If non-compliance or interference occurs with airport operations, the lessee must resolve it within 48 hours or cease operations and resort to intermittent use for testing. All associated costs fall on the lessee. The City prioritizes airport safety and can demand an immediate operational halt if necessary. If FAA regulations or runway approaches change, the lessee must modify, remove, or relocate the tower at their expense within the City's timeframe, with the City assuming no liability for related claims.					

Comparable Leases

Lease Abstract					
Address: 12820 Gulfstream Blvd Landlord: Board of County Commissioners of Charlotte County Florida Tenant: SBA Towers IX LLC Commencement: 3/29/2005 Lease Term: 5 years Termination Date: Land Area Leased SF: 1000 Rent Escalations: 3% annual increase Options to Renew: 9 (nine) 5 (five) year terms					
Year Starting	Subject Annual Rent Obligations	Rent Change	Rent Per Sq. Ft.	Option	Total Gross Rental Rate Per Sq. Ft.
3/29/2005	\$9,600.00	N/A	\$0.21		
3/29/2006	\$9,888.00	1.03000	\$0.22		
3/29/2007	\$10,184.64	1.03000	\$0.22		
3/29/2008	\$10,490.18	1.03000	\$0.23		
3/29/2009	\$10,804.88	1.03000	\$0.24		
3/29/2010	\$11,129.03	1.03000	\$0.24	Option 1	
3/29/2011	\$11,462.90	1.03000	\$0.25		
3/29/2012	\$11,806.79	1.03000	\$0.26		
3/29/2013	\$12,160.99	1.03000	\$0.27		
3/29/2014	\$12,525.82	1.03000	\$0.27		
3/29/2015	\$12,901.60	1.03000	\$0.28	Option 2	
3/29/2016	\$13,288.65	1.03000	\$0.29		
3/29/2017	\$13,687.30	1.03000	\$0.30		
3/29/2018	\$14,097.92	1.03000	\$0.31		
3/29/2019	\$14,520.86	1.03000	\$0.32		
3/29/2020	\$14,956.49	1.03000	\$0.33	Option 3	
3/29/2021	\$15,405.18	1.03000	\$0.34		
3/29/2022	\$15,867.34	1.03000	\$0.35		
3/29/2023	\$16,343.36	1.03000	\$0.36		
3/29/2024	\$16,833.66	1.03000	\$0.37	Current Lease Term	
3/29/2025	\$17,338.67	1.03000	\$0.38		
Comment: 250 ft tower located in Port Charlotte, FL. This lease information was gathered through a public records request. Additional information regarding lease specifics was requested but no phone calls or emails were returned. We were provided the annual rent obligations and term. Expenses/Maintenance: Tenant is responsible for all operating expenses including utilities, maintenance, insurance, and property taxes. Percentage Rent: Unknown					



Lease Abstract					
Address: I-95 and Turtle Mound Road, Melbourne, FL Landlord: Brevard County Tenant: American Tower Commencement: 12/22/2016 Lease Term: 10 years Termination Date: 12/21/2026 Land Area Leased SF: 10000 Rent Escalations: 2% per year Options to Renew: Four additional terms of 5 years each					
Year Starting	Subject Annual Rent Obligations	Rent Change	Rent Per Sq. Ft.	Option	Total Gross Rental Rate Per Sq. Ft
12/22/2016	\$43,000.00	N/A	\$4.30		
12/22/2017	\$44,290.00	1.03000	\$4.43		
12/22/2018	\$45,618.70	1.03000	\$4.56		
12/22/2019	\$46,987.26	1.03000	\$4.70		
12/22/2020	\$47,927.01	1.02000	\$4.79		
12/22/2021	\$48,885.55	1.02000	\$4.89		
12/22/2022	\$49,863.26	1.02000	\$4.99		
12/22/2023	\$50,860.52	1.02000	\$5.09	Current Lease Term	
12/22/2024	\$51,877.73	1.02000	\$5.19		
12/22/2025	\$52,915.29	1.02000	\$5.29		
12/22/2026	\$53,973.59	1.02000	\$5.40	Option 1	
12/22/2027	\$55,053.07	1.02000	\$5.51		
12/22/2028	\$56,154.13	1.02000	\$5.62		
12/22/2029	\$57,277.21	1.02000	\$5.73		
12/22/2030	\$58,422.75	1.02000	\$5.84		
12/22/2031	\$59,591.21	1.02000	\$5.96	Option 2	
12/22/2032	\$60,783.03	1.02000	\$6.08		
12/22/2033	\$61,998.69	1.02000	\$6.20		
12/22/2034	\$63,238.67	1.02000	\$6.32		
12/22/2035	\$64,503.44	1.02000	\$6.45		
12/22/2036	\$65,793.51	1.02000	\$6.58	Option 3	
12/22/2037	\$67,109.38	1.02000	\$6.71		
12/22/2038	\$68,451.57	1.02000	\$6.85		
12/22/2039	\$69,820.60	1.02000	\$6.98		
12/22/2040	\$71,217.01	1.02000	\$7.12		
Comment: Rent escalations were originally 3% per year but the first amendment lowered it to 2% per year Expenses/Maintenance: Lessee is responsible for utilities, sales tax, documented increase of RE taxes directly attributable to constructed improvements, and insurance. Landlord is responsible for RE taxes Percentage Rent: N/A Termination Clause: The lessee may terminate the lease in the event that they are unable to obtain the necessary permits or the permits are terminated by a government authority. They may also terminate the lease if the premises is no longer technically or structurally compatible for use. The lessee must remove its improvements from the site when the lease terminates.					



Lease Abstract					
Address: KCA-4355 Landlord: National Aeronautics and Space Administration, Tenant: BellSouth Telecommunications, LLC d/b/a ATT&T Florida Commencement: 3/6/2013 Lease Term: 10 years Termination Date: 3/5/2013 Land Area Leased SF: 11,808 Rent Escalations: 3% per year Options to Renew: One 5 year option					
Year Starting	Subject Annual Rent Obligations	Rent Change	Rent Per Sq. Ft.	Options	Total Gross Rental Rate Per Sq. Ft
3/6/2013	\$24,689.35	N/A	\$2.09		\$3,950.30
3/6/2014	\$25,430.03	1.03000	\$2.15		
3/6/2015	\$26,192.93	1.03000	\$2.22		
3/6/2016	\$26,978.72	1.03000	\$2.28		
3/6/2017	\$27,788.08	1.03000	\$2.35		
3/6/2018	\$28,621.72	1.03000	\$2.42		
3/6/2019	\$29,480.38	1.03000	\$2.50		
3/6/2020	\$30,364.79	1.03000	\$2.57		
3/6/2021	\$31,275.73	1.03000	\$2.65		
3/6/2022	\$32,214.00	1.03000	\$2.73		
3/6/2023	\$33,180.42	1.03000	\$2.81	Option 1	
3/6/2024	\$34,175.83	1.03000	\$2.89	Current Lease Term	
3/6/2025	\$35,201.11	1.03000	\$2.98		
3/6/2026	\$36,257.14	1.03000	\$3.07		
3/6/2027	\$37,344.86	1.03000	\$3.16		
Comment: N/A Expenses/Maintenance: Tenant responsible for utility charges. The subject leased area is not charged property taxes and the CMO is a reasonable off-set to those typical costs. Percentage Rent: There is no percentage rent clause. Termination Clause: There is a termination clause; Section 16.7 "...Lessee may terminate this Lease at any point after the first lease year by providing Lessor ninety days written notice of Lessee's intent to terminate said Lease. In the event of a termination, Lessee remains liable for all costs associated with the Lease up through and including restoration of the Property..."					



Notes: This is a shorter 80' tower. The lease also includes some space in the adjoining building. Subtenants are allowed, but there is no percentage rent clause. Both of these factors led to a higher base rent amount.

Lease Abstract					
Address: KCA-4447 Landlord: National Aeronautics and Space Administration, Tenant: American Towers LLC Commencement: 9/1/2016 Lease Term: 10 years Termination Date: 9/1/2026 Land Area Leased SF: 6400 Rent Escalations: 3% per year Options to Renew: One 10 year option					
Year Starting	Subject Annual Rent Obligations	Rent Change	Rent Per Sq. Ft.	Options	Total Gross Rental Rate Per Sq. Ft
9/1/2016	\$18,000.00	N/A	\$0.77		
9/1/2017	\$18,540.00	1.03000	\$0.79		
9/1/2018	\$19,096.20	1.03000	\$0.81		
9/1/2019	\$19,669.09	1.03000	\$0.84		
9/1/2020	\$20,259.16	1.03000	\$0.86		
9/1/2021	\$20,866.93	1.03000	\$0.89		
9/1/2022	\$21,492.94	1.03000	\$0.92		
9/1/2023	\$22,137.73	1.03000	\$0.94	Current Lease Term	
9/1/2024	\$22,801.86	1.03000	\$0.97		
9/1/2025	\$23,485.92	1.03000	\$1.00		
Comment: N/A Expenses/Maintenance: Tenant will reimburse to KSC a Facility Service Charge which is \$2,752 for the first year. Tenant will also reimburse for essential services such as electric which is estimated at \$9,400 for the first year. Percentage Rent: Lessee shall pay as additional rent 20% of the annual base rent + CMO charges for each and every sublease. According to KSC officials, there are three tenants at this time. At commencement, percentage rent was \$10,800 for the first lease year. Termination Clause: Upon termination of the lease the tenant must remove all improvements made by the tenant. The tenant may terminate the lease at any point after the first year by providing notice 120 days prior to termination.					

Lease Abstract					
Address: 1955 West Hibiscus Blvd, Melbourne Landlord: City of Melbourne Tenant: Verizon Wireless Commencement: 7/1/2012 Lease Term: 5 years Termination Date: 2/6/2019 Land Area Leased SF: 2400 Rent Escalations: 3% or Annual CPI increases to base rent, whichever is greater Options to Renew: Four, 5 year terms					
Year Starting	Subject Annual Rent Obligations	Rent Change	Rent Per Sq. Ft.	CAM Charge	Total Gross Rental Rate Per Sq. Ft
7/1/2012	\$13,000.00	N/A	\$13.00	Initial Term	
7/1/2013	\$13,390.00	1.03000	\$13.39		
7/1/2014	\$13,791.70	1.03000	\$13.79		
7/1/2015	\$14,205.45	1.03000	\$14.21		
7/1/2016	\$14,631.61	1.03000	\$14.63		
7/1/2017	\$15,070.00	1.02996	\$15.07	Option 1	
7/1/2018	\$18,000.00	1.19443	\$18.00		
7/1/2019	\$18,540.00	1.03000	\$18.54		
7/1/2020	\$19,096.20	1.03000	\$19.10		
7/1/2021	\$19,669.09	1.03000	\$19.67		
7/1/2022	\$20,259.16	1.03000	\$20.26	Option 2	
7/1/2023	\$20,866.93	1.03000	\$20.87		
7/1/2024	\$21,492.94	1.03000	\$21.49	Current Lease Term	
7/1/2025	\$22,137.73	1.03000	\$22.14		
7/1/2026	\$22,801.86	1.03000	\$22.80		
7/1/2027	\$23,485.92	1.03000	\$23.49	Option 4	
7/1/2028	\$24,190.49	1.03000	\$24.19		
7/1/2029	\$24,916.21	1.03000	\$24.92		
7/1/2030	\$25,663.70	1.03000	\$25.66		
7/1/2031	\$26,433.61	1.03000	\$26.43		
7/1/2032	\$27,226.62	1.03000	\$27.23	Option 5	
7/1/2033	\$28,043.41	1.03000	\$28.04		
7/1/2034	\$28,884.72	1.03000	\$28.88		
7/1/2035	\$29,751.26	1.03000	\$29.75		
7/1/2036	\$30,643.80	1.03000	\$30.64		
Comment: Lessee, upon termination of the lease must remove the tower and put the property back to its original condition. The lessee paid a one time \$30,000 bonus at the execution of the 2nd lease amendment. Expenses/Maintenance: Lessee is responsible for sales tax, documented increase of RE taxes directly attributable to constructed improvements, and insurance. Landlord is responsible for RE taxes Percentage Rent: Lessee pays to the City 50% of the revenue collected from any co-locates on the tower. Co-locate revenue paid to the City for FY22-23 was approximately \$3000 Termination Clause: Lessee has the right to terminate the lease at any time, by providing Lessor with 6 months prior written notice.					



Lease Abstract					
Address: 65 South Orlando Avenue, Cocoa Beach Landlord: City of Cocoa Beach Tenant: Gulfstream Towers LLC Commencement: 12/11/2020 Lease Term: 10 years Termination Date: 12/10/2030 Land Area Leased SF: 1000 Rent Escalations: 10% every 5 years Options to Renew: Eight additional terms of 5 years each					
Year Starting	Subject Annual Rent Obligations	Rent Change	Base Rent Per Sq. Ft.	CAM Charge	Total Gross Rental Rate Per Sq. Ft.
12/11/2020	\$16,800.00	N/A	\$1.68		
12/11/2021	\$16,800.00	1.00000	\$1.68		
12/11/2022	\$16,800.00	1.00000	\$1.68		
12/11/2023	\$16,800.00	1.00000	\$1.68	Current Lease Term	
12/11/2024	\$16,800.00	1.00000	\$1.68		
12/11/2025	\$18,480.00	1.10000	\$1.85		
12/11/2026	\$18,480.00	1.00000	\$1.85		
12/11/2027	\$18,480.00	1.00000	\$1.85		
12/11/2028	\$18,480.00	1.00000	\$1.85		
12/11/2029	\$18,480.00	1.00000	\$1.85		
12/11/2030	\$20,328.00	1.10000	\$2.03	Option 1	
12/11/2031	\$20,328.00	1.00000	\$2.03		
12/11/2032	\$20,328.00	1.00000	\$2.03		
12/11/2033	\$20,328.00	1.00000	\$2.03		
12/11/2034	\$20,328.00	1.00000	\$2.03		
12/11/2035	\$22,360.00	1.09996	\$2.24	Option 2	
12/11/2036	\$22,360.00	1.00000	\$2.24		
12/11/2037	\$22,360.00	1.00000	\$2.24		
12/11/2038	\$22,360.00	1.00000	\$2.24		
12/11/2039	\$22,360.00	1.00000	\$2.24		
12/11/2040	\$24,596.00	1.10000	\$2.46	Option 3	
12/11/2041	\$24,596.00	1.00000	\$2.46		
12/11/2042	\$24,596.00	1.00000	\$2.46		
12/11/2043	\$24,596.00	1.00000	\$2.46		
12/11/2044	\$24,596.00	1.00000	\$2.46		
Comment: N/A Expenses/Maintenance: Lessee is responsible for utilities, sales tax, documented increase of RE taxes directly attributable to constructed improvements, and insurance. Percentage Rent: As additional rent, tenant will pay landlord a portion of monthly rent or other payments of any description (hereinafter collectively "monthly rental") paid by any tenants that execute a tenant lease or agreement and install, or have installed, or use equipment at the Site. Tenant will pay landlord the following additional rent: at 2nd tenant, 5% of monthly rent received from the 2nd tenant; at 3rd tenant, 10% of monthly rent received from the 2nd and 3rd tenant; and at 4th tenant, 15% of monthly rent received by the 2nd , 3rd and 4th tenant. Termination Clause: The lessee may terminate the lease in the event that they are unable to obtain the necessary permits or the permits are terminated by a government authority. They may also terminate the lease if the premises is no longer technically or structurally compatible for use. The lessee must remove its improvements from the site when the lease terminates.					



Lease Abstract					
Address: 350 Imperial Blvd, Cape Canaveral, FL, 32920					
Landlord: Sheldon Cove LLLP					
Tenant: Verizon Wireless Personal Communications LP, d/b/a Verizon Wireless					
Commencement: 10/1/2005					
Lease Term: 5 years					
Termination Date: 9/30/2025					
Land Area Leased SF: 3,850					
Rent Escalations: 15% increase upon renewal					
Year Starting	Subject Annual Rent Obligations	Rent Change	Rent Per Sq. Ft.	Option	Total Gross Rental Rate Per Sq. Ft
10/1/2020	\$23,805.00	N/A	\$6.18	Option 3	
10/1/2021	\$23,805.00	1.00000	\$6.18		
10/1/2022	\$23,805.00	1.00000	\$6.18		
10/1/2023	\$23,805.00	1.00000	\$6.18	Current Lease Term	
10/1/2024	\$23,805.00	1.00000	\$6.18		
10/1/2025	\$27,375.00	1.14997	\$7.11	Option 4	
10/1/2026	\$27,375.00	1.00000	\$7.11		
10/1/2027	\$27,375.00	1.00000	\$7.11		
10/1/2028	\$27,375.00	1.00000	\$7.11		
10/1/2029	\$27,375.00	1.00000	\$7.11		
10/1/2030	\$31,482.00	1.15003	\$8.18	Option 5	
10/1/2031	\$31,482.00	1.00000	\$8.18		
10/1/2032	\$31,482.00	1.00000	\$8.18		
10/1/2033	\$31,482.00	1.00000	\$8.18		
10/1/2034	\$31,482.00	1.00000	\$8.18		
10/1/2035	\$36,204.00	1.14999	\$9.40	Option 6	
10/1/2036	\$36,204.00	1.00000	\$9.40		
10/1/2037	\$36,204.00	1.00000	\$9.40		
10/1/2038	\$36,204.00	1.00000	\$9.40		
10/1/2039	\$36,204.00	1.00000	\$9.40		
Comment: The land lease is with Verizon and subleased to American Tower Corporation. Verizon subleased to American Tower Corporation on February 5, 2015. The lease is for 0.0883 acres located to the north of the existing office/warehouse building. The lease was executed on May 10, 2005 between Camille Bell and Kathleen N. Carter and Verizon Wireless Personal Communications LP. It was reported by ownership that the lease was assigned to them, Sheldon Cove, LLP via arbitration on January 1, 2013.					
Expenses/Maintenance: The landlord shall pay for the taxes on the parent property. Should parcel taxes increase due to improvements by the tenant, the tenant shall reimburse the landlord.					
Percentage Rent: There is no percentage rent clause.					
Termination Clause: N/A					



Additional Data Considered

During our search for comparable lease data, we identified two cell tower ground leases in the City of Jacksonville that are nearing final approval but have not yet commenced. A 2022 fair market rent analysis for these sites indicated a market rent range of \$11,000 to \$15,000 per year with 2% annual escalations and colocation rent of \$375 per sublease per month. However, due to the City of Jacksonville's minimum lease rate policy of \$25,000 per year for such leases, the final terms currently under review reflect this minimum.

COJ Lease #1

Site Size: 4,900 SF

SITE NAME		ST AUGUSTINE RD RETENTION POND
RE NUMBER		R-158247-0310
STREET NUMBER		13370
STREET NAME		OLD ST AUGUSTINE
STREET TYPE		ROAD
DIRECTION		N/A
ZIP CODE		32258
LEASE TERMS		
LEASE RATE TERMS OF AGREEMENT		\$25,000.00
CO-LOCATE RATE/ MONTH EACH		> OF \$750 or 25%
ESCALATION RATE		> OF 4% OR CPI
LENGTH OF INITIAL TERM		5 YEARS
NUMBER OF RENEWAL OPTIONS		5
LENGTH OF RENEWAL OPTIONS		5 YEARS
NOTICE REQUIRED TO NOT EXERCISE RENEWAL		6 MONTHS



COJ Lease #2

Site Size: 6,400 SF

SITE NAME		ES AUSTIN PARK
RE NUMBER		R-161136-0100
STREET NUMBER		11751
STREET NAME		MCCORMICK
STREET TYPE		ROAD
DIRECTION		N/A
ZIP CODE		32225
LEASE TERMS		
LEASE RATE TERMS OF AGREEMENT		\$25,000.00
COLOCATE RATE/ MONTH EACH		> OF \$750 or 25%
ESCALATION RATE		> OF 4% OR CPI
LENGTH OF INITIAL TERM		5 YEARS
NUMBER OF RENEWAL OPTIONS		5
LENGTH OF RENEWAL OPTIONS		5 YEARS
NOTICE REQUIRED TO NOT EXERCISE RENEWAL		6 MONTHS



Interviews

During our research, we interviewed Mr. Marshall Hazelhurst, VP of Business Development at CitySwitch, a company that develops, manages, and leases cell towers. Mr. Hazelhurst indicated that for vacant land without an existing tower, monthly rent typically ranges from \$500-\$700 in rural areas, \$800-\$1200 in suburban areas, and \$1,500+ in urban areas, with rates varying considerably based on location and other factors. In cases where a tower already exists, landlord leverage increases significantly due to the high cost of decommissioning and relocation. Existing towers with multiple tenants can command rents around \$2,500 per month or 50% of sublease revenue.

Additionally, we spoke with Mr. Steve Smith, President of High Point Tower. He emphasized that the subject property's unique location on airport land provides the landlord with strong negotiating power. He suggested a reasonable ground rental rate could range from \$2,500 to \$3,500 per month, potentially with a revenue share from new tenants leasing the tower. Mr. Smith also recommended negotiating annual rent increases and a lease term of around 10 years.

Finally, we consulted with Ms. Laura Carroll, MAI, the Real Estate Project Manager for the City of Orlando, who oversees their cell tower ground leases. She informed us that the City of Orlando has established a minimum asking rent of \$35,000 per year for new cell tower ground leases. Ms. Carroll noted that high demand for these sites in the area gives the city significant negotiating power, often leading to quick replacements if a potential tenant declines. Additionally, the City favors higher upfront annual rents over lower base rents with percentage rent for colocation tenants. While the City has not conducted recent appraisals for cell tower sites, Ms. Carroll mentioned that many of their ground leases include an upfront signing bonus paid by the tenant.

Discussion On Lease Comparables:

Comprehensive efforts were undertaken to locate comparable cell tower ground lease data in Pensacola and across Florida, however, challenges were encountered due to the industry's practice of maintaining high confidentiality around lease terms. Initial outreach to surrounding counties and cities for publicly available information yielded limited results. Most entities either lacked recent lease activity, had outdated leases, or provided information solely pertaining to leases for space on existing towers, not ground leases. Subsequent attempts to engage national tower companies, including American Tower Corporation, Crown Castle, and SBA Towers, proved unsuccessful, as none were willing to share proprietary lease information. Further exploration of the FCC database led to contact with numerous tower owners in the region, but only two responded, providing general market insights without specific lease details.

Reaching out to firms specializing in cell tower lease negotiations and valuations, such as Steel In the Air, confirmed the difficulty of obtaining such data, as these companies typically only share lease information when directly engaged for a project. Finally, direct contact with Jesta Towers, the tenant of the subject property and owner of other towers in the area, did not result in any response. This comprehensive search highlighted the inherent difficulty in obtaining comparable cell tower lease data. The competitive nature of the industry and the sensitive nature of lease terms often limit access to such information. Consequently, our analysis relies on a combination of expert interviews, market surveys, and publicly available records, while acknowledging the inherent limitations in appraising such specialized properties.

Lease Data Summary

Address	Tenant	Annual Rent	Rent Escalations	Percentage Rent
12820 Gulfstream Blvd, Port Charlotte, FL	SBA Towers IX LLC	\$ 16,833.66	3% per year	Unknown
I-95 and Turtle Mound Road, Melbourne, FL	American Tower	\$ 50,860.52	2% per year	N/A
KCA-4355, Cape Canaveral, FL	ATT&T Florida	\$ 34,175.83	3% per year	N/A
KCA-4447, Cape Canaveral, FL	American Towers LLC	\$ 22,137.73	3% per year	20% per sublease
1955 West Hibiscus Blvd, Melbourne, FL	Verizon Wireless	\$ 21,492.94	3% or Annual CPI	50% per sublease
65 South Orlando Avenue, Cocoa Beach, FL	Gulfstream Towers LLC	\$ 16,800.00	10% every 5 years	5%-15% per sublease
350 Imperial Blvd, Cape Canaveral, FL	Verizon Wireless	\$ 23,805.00	15% every 5 years	N/A
13370 Old St Augustine Rd, Jacksonville, FL	Unknown	\$ 25,000.00	4% or CPI	\$750 per month or 25% per sublease
11751 McCormick Rd, Jacksonville, FL	Unknown	\$ 25,000.00	4% or CPI	\$750 per month or 25% per sublease
	Average	\$ 26,233.96		

Market Rent Conclusions:

Address	Annual Rent	3 Mile Population	As Compared To Subject
Subject		47,603	
12820 Gulfstream Blvd, Port Charlotte, FL	\$ 16,833.66	21,778	Inferior
I-95 and Turtle Mound Road, Melbourne, FL	\$ 50,860.52	25,700	Superior
KCA-4355, Cape Canaveral, FL	\$ 34,175.83	1,621	Superior
KCA-4447, Cape Canaveral, FL	\$ 22,137.73	1,621	Similar
1955 West Hibiscus Blvd, Melbourne, FL	\$ 21,492.94	61,983	Superior (50% Colocation rent)
65 South Orlando Avenue, Cocoa Beach, FL	\$ 16,800.00	11,627	Inferior (Monopole)
350 Imperial Blvd, Cape Canaveral, FL	\$ 23,805.00	13,042	Similar
13370 Old St Augustine Rd, Jacksonville, FL	\$ 25,000.00	52,565	Superior
11751 McCormick Rd, Jacksonville, FL	\$ 25,000.00	54,054	Superior

In preparing this appraisal, we analyzed a combination of signed cell tower land leases, market interviews, and pending leases. Due to limited publicly available data in Pensacola and the reluctance of tower owners to share lease details, we expanded our search to include signed leases from across Florida.

Our analysis revealed that higher rents are typically associated with towers in densely populated areas, those allowing greater height, and those without subtenant income sharing in the lease agreement. The highest rent observed was for a tower at the I-95/Turtle Mound Road intersection in Melbourne, a superior location with a taller tower. We anticipate the subject property's rent will be notably lower.

Conversely, the lowest rent was \$16,833 per year for a tower in Port Charlotte. This lease, obtained through public records, is older with recent renewals in 2020, and its potential inclusion of percentage rent (subtenant income sharing) remains unclear. However, based on our analysis and market interviews, it's likely some form of subtenant income exists, as lower base rents often incorporate this to supplement income.

Contemporary leases are increasingly incorporating a percentage of sub-tenant income, especially if the tower is designed to accommodate multiple tenants. In the prevailing market, the predominant lease structure is triple-net (NNN), with tenants being responsible for utilities, applicable taxes, and maintenance costs. Annual rent escalations average around 3%, which aligns with industry standards, although it is noteworthy that some tenants are currently negotiating for lower annual increases, closer to 2%. Sub-tenant income shares have been observed to vary widely, ranging from 5% to 50% of tenant income.

It should be noted the subject site's 110-foot height restriction, imposed by FAA regulations, could potentially limit the number of tenants and subtenants it can accommodate due to spacing requirements for antennas. However, its favorable location near the Pensacola International Airport terminals and a densely populated residential area in Northeast Pensacola offers a strong advantage. These high-traffic areas are expected to drive significant demand for wireless communication services, making the site attractive despite the height limitation.

Taking into account various influencing factors on the subject property—such as its location near Pensacola International Airport, presence of a substantial nearby residential population and high-traffic roadways, and tower height restrictions—the current lease terms for the subject property indicate an annual base rent of \$13,274. Based on our comparative analysis, the current base rent appears to be below the prevailing market rates.

While our statewide data collection reveals a range of potential percentage rent rates, we were unable to identify any leases within the subject market that specifically included percentage rent provisions. Consequently, we lack sufficient market evidence to definitively conclude a reasonable percentage rent figure for the subject property. The percentage rent values presented above are provided solely for reference purposes.

Based on the above analysis, as of August 13, 2024 we have reconciled to a market rent of:

Value Conclusions			
Premise	Interest Appraised	Effective Date	Value Conclusion
Current As Is Market Value	Fee Simple	8/13/2024	\$20,000 per year - \$25,000 per year
Annual Escalation		8/13/2024	3% per year
Percentage Rent		8/13/2024	N/A

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount which would result in approval of a loan.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Dominic D'Alessandro, State Certified General Real Estate Appraiser RZ4536, provided significant help in site descriptions, tax and zoning analysis, and research of comparable leases.
10. As of the date of this report, Matthew Jehs, MAI has completed the continuing education program of the Appraisal Institute.
11. At the client's request, the property was not inspected by the appraisers. We reviewed Aerial Photography, viewed client provided documentation, and reviewed public records.
12. The appraiser has not performed any prior services regarding the subject within the previous three years of the effective date of this appraisal.



Matthew W. Jehs, MAI
Cert Gen RZ2806



Dominic D'Alessandro
Cert Gen RZ4536

Addenda

Definitions

Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 15th ed. Chicago: Appraisal Institute, 2020. PDF.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. 2015. PDF.
- The Appraisal Foundation. *2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP)*. Eff. January 1, 2020 through December 31, 2021 PDF.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “ Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions ” address the determination of reasonable exposure and marketing time.) (Dictionary, 6th Edition)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 6th Edition)

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 6th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 6th Edition)

Professional Qualifications

Matthew W. Jehs

EXPERIENCE: Current Managing Director for Tuttle-Armfield-Wagner Appraisal & Research, Inc., Mr. Jehs has 22 years of appraisal experience, receiving his MAI in 2008. He has performed property valuations for a broad array of retail, industrial, and office properties including shopping centers, office/warehouses, bulk distribution warehouses, heavy manufacturing, both low-rise and high-rise professional offices and medical office buildings. Valuations have also included surgical centers, limited-service hospitality properties, condominium developments and conversions, residential subdivisions, and vacant land. Specialized real estate assignments include right-of-way projects, Cape Canaveral Port Facilities, Kennedy Space Center assets, and Melbourne Airport Aviation land, and jurisdictional wetlands. Clients served include accountants, investment firms, law firms, lenders, private corporations, local municipalities, and public agencies, including Veterans Affairs, Florida DEP Approved Appraiser, and SJRWMD. Valuations have been utilized for mortgage loan purposes, equity participation, due diligence support, condemnation proceedings and insurance purposes. Assignments have included the valuation of existing and proposed properties, as well as market studies, highest and best use studies, and property value impact studies.

EDUCATION: Bachelor of Arts Degree, Benedictine University, 2000

Appraisal Course Work Completed:

Appraisal Institute

110-Appraisal Principles
120-Appraisal Procedures
210-Residential Case Study
310-Basic Income Capitalization
410-Uniform Standards of Professional Practice – Part A
420-Uniform Standards of Professional Practice – Part B
510-Advanced Income Capitalization
520-Highest and Best Use and Market Analysis
530-Advanced Sales Comparison and Cost Approach
540-Report Writing and Valuation Analysis
550-Advanced Applications
Continuing Education in USPAP, ARGUS, STDB.com

LICENSES: State Certified General Real Estate Appraiser #FL-RZ2806

PROFESSIONAL ORGANIZATIONS: Member of the Appraisal Institute (MAI) #432527
2020 Past President Florida East Coast Chapter Appraisal Institute

I have been qualified as an expert witness in Brevard County circuit court. I have testified in court cases involving commercial Real Estate litigation.

Professional Qualifications

Dominic D'Alessandro

EXPERIENCE:

As a State Certified General Real Estate Appraiser at Tuttle-Armfield-Wagner Appraisal & Research, Inc., I bring over two years of experience in delivering comprehensive property valuations for a diverse range of commercial real estate assets. My expertise encompasses a wide spectrum of property types, including retail centers, office warehouses, distribution centers, heavy manufacturing facilities, office buildings, medical offices, surgical centers, limited-service hotels, and vacant land. I have also tackled unique real estate projects such as bowling alleys, ice skating rinks, and tennis clubs. Furthermore, I have honed my skills in appraising specialized assets within prominent locations like the Kennedy Space Center, Cape Canaveral Space Force Station, and Melbourne Airport. Additionally, my experience includes conducting Fair Market Rent Analyses for a variety of commercial spaces, including medical offices, hangars, and restaurants.

EDUCATION:

University of Central Florida, Orlando, FL
Bachelors of Science, Business Administration, Finance Concentration

Appraisal Course Work Completed:

Appraisal Institute

General Appraiser Income Approach Part 1 and 2
General Appraiser Sales Comparison Approach
General Appraiser Site Valuation and Cost Approach
Real Estate Finance, Statistics, and Valuation Modeling
General Appraiser Market Analysis and Highest & Best Use
General Appraiser Report Writing and Case Studies
Advanced Income Capitalization
Three Hour Florida Law
2024-2025 7-Hour National USPAP Update Course
Advanced Concepts & Case Studies
Business Practices and Ethics
Uniform Appraisal Standards for Federal Land Acquisitions

LICENSES:

State Certified General Real Estate Appraiser #FL-RZ4536

PROFESSIONAL ORGANIZATIONS:

Appraisal Institute Practicing Affiliate





City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-459

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

APPROVAL OF AMENDMENT NO. 2 TO CONTRACT FOR RFQ 23-030 ARCHITECTURAL AND ENGINEERING SERVICES FOR THE HIGH PERFORMANCE MARITIME CENTER OF EXCELLENCE AND AMERICAN MAGIC AT THE PORT OF PENSACOLA

RECOMMENDATION:

That City Council approve Amendment No. 2 to the contract for Architectural and Engineering Services with Muller and Muller, LTD., for the High Performance Maritime Center of Excellence and American Magic at the Port of Pensacola, in the amount of \$573,967.91, based on final project cost. Further, that City Council authorize the Mayor to take actions necessary to execute and administer the amendment, consistent with the Mayor's Executive Powers as granted in the City Charter.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #7: Thriving Innovation and Businesses.

The Port of Pensacola seeks to transform Warehouse #10 and the associated area into a High-Performance Maritime Center of Excellence in partnership with American Magic, a professional sailing team competing for America's Cup. On November 9, 2023, Council approved the award of contract for architectural and engineering design services to Muller & Muller. The contract amount was based on the overall construction budget, which has since been finalized at a guaranteed maximum price of \$18,496,026, increasing the final A&E contract cost. The A&E contract percentage fee, 7.56%, is based on Florida's competitive negotiation architect-engineer fee guidelines.

PRIOR ACTION:

For the High Performance Maritime Center of Excellence Project:

June 15, 2023 - Council acceptance of the Governor's Job Growth Grant Fund and supplemental budget resolution

September 14, 2023 - Council acceptance of the Triumph Gulf Coast Grant and supplemental budget resolution

November 9, 2023 - Council approval of A&E contract with Muller and Muller, LTD for Phase I of the design and engineering (facility)

January 18, 2024 - Council approval of A&E amendment to contract with Muller and Muller, LTD for design and engineering of the wet slip

February 20, 2024 - Council approval of Lease Agreement between the City of Pensacola, Florida and Bella Mente Quantum Racing Association (American magic) at the Port of Pensacola

March 18, 2024 - Council approval of Construction Manager at Risk Services (CMAR) contract with Greenhut Construction Company for pre-construction services

October 7, 2024 - Council acceptance of amendment one to Grant Agreement No. 445548-1-84-02 (FSTED) improvements for Warehouse 10 - American Magic

December 9, 2024 - Council approval of CEI Services Contract with AMI Engineering

March 24, 2025 - Approval of Lease Agreement between the City of Pensacola and The University of West Florida for the lease of Warehouse #8 at the Port

April 10, 2025 - Approval of Amendment to Lease Agreement with American Magic for prepaid rental terms

FUNDING:

Budget:

\$5,586,546 Governor's Job Growth Grant Fund

\$8,500,000 Triumph Gulf Coast Grant

\$2,253,131 FSTED Grant

\$3,082,286 American Magic Prepaid Lease

\$1,413,846 UWF Prepaid Lease

\$20,835,809 TOTAL

Actual:

\$1,107,025 Muller and Muller A&E Contract Phase I

\$573,968 Muller and Muller A&E Contract Change Order

\$18,496,026 Maximum Guaranteed Price for construction

\$50,000 Greenhut CMAR Pre-Construction Services

\$324,580 AMI Consulting Engineers Contract
\$284,210 Owner's Contingency

\$20,835,809 TOTAL

FINANCIAL IMPACT:

No financial impact as this project is fully funded.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Tim Kinsella, City Administrator
Erica Grancagnolo, Economic Development Director
Anna Kate Baygents, Economic Development Administrator

ATTACHMENTS:

1. LTR Pensacola-HPMCE-American-Magic Fee Amendment REV001 20250114

PRESENTATION: No

January 14, 2025



Via E-Mail

Erica Grancagnolo
222 W. Main St.
Pensacola, FL 32502
erica@cityofpensacola.com

City of Pensacola – HPMCE – American Magic – Design Fee Amendment

Mrs. Grancagnolo:

This letter serves to formally provide the City of Pensacola with the rationale and notice of our request for a contract modification to compensate the Design Team for unanticipated work on the High-Performance Maritime Center for Excellence (HPMCE) at the Port of Pensacola. As you are aware, the project's construction budget has significantly increased from the anticipated budget used during the initial fee negotiations prior to the execution of the Design Team's contract.

Per the City's request, additional fees detailed below exclude work related to Phase II - Marine & Dock scope, which will be submitted separately as required.

Below is a summary of the unanticipated added efforts contributing to this request:

1. Project Budget Updates:

- **12/21/2023:** Per the City's request, the Design Team provided a proposed project budget of \$20.8 million based on the project scope, approximately three weeks after the contract was awarded.
- **1/26/2024:** 15% SD budget provided at \$28.2 million (inclusive of the 15% SD estimate as base scope).
- **2/16/2024:** Revised 15% budget submitted at \$21.6 million (inclusive of the 15% SD estimate as base scope).
- All budgets above included a 50-foot addition to the east.
- **Construction Budget Increase:**
 - Initial budget: \$10.5 million (design fee calculated at 7.82% per the Florida Department of Management Services "DMS" sliding scale).
 - Revised estimate: \$18.2 million at 60% completion (proposed revised fee at 7.56% per the "DMS" sliding scale).

2. Structural Repairs (Early Release Package):

- **3/7/2024:** The City directed retention of the existing structure, resulting in an expedited structural repair package submitted on **4/18/2024**, this deliverable was outside the original project scope.

3. Ongoing Mechanical System Value Engineering:

- **3/7/2024:** Mechanical system options reviewed with the city; water-chilled HVAC system was selected.
- **3/27/2024:** City revised selection to an air-chilled system.

- **6/25/2024:** City requested review of HVAC options, including DX systems.
- **8/2/2024:** City directed return to the original chiller system.
- **11/21/2024:** Final direction provided for a 120-ton chiller selection.

4. Construction Manager at Risk (CMR) Management and Bidding Processes:

- Additional work required due to the CMR approach:
 - Construction submittal reviews conducted ahead of 100% design completion.
 - Pricing RFIs provided at 30%, 60%, and 95% design milestones to ensure accurate pricing.
 - Bi-weekly CMR review meetings.
 - Expedited mezzanine structural package.

5. Ongoing Value Engineering and Scope Changes:

- Continuous scope adjustments and value engineering requiring additional input and redesign efforts.
- Review of contractor change orders prior to Issue for Construction drawings.
- **10/15/2024:** Tenant-provided power requirements following 60% submittal.
- **11/21/2024:** Final direction provided for a 2000-amp service.

The cumulative impact of these unanticipated efforts has placed additional demand on the Design Team's resources, necessitating an amendment to the original contract.

Proposed Contract Amendments based on 60% \$18.2 Construction Budget*
Subject to change pending final construction budget*

Project Costs	\$	24,417,022.57
Building Construction Costs	\$	18,496,026.00
Site/Slip/Docks/Civil Costs	\$	3,500,000.00
Percentage of Fee		7.56%
Base DMS Fee (proposed amended fee)	\$	1,398,299.57
Additional Services Outside DMS – Phase I (no proposed changes)	\$	282,693.15
Phase II - Marine Fee I (no proposed changes)	\$	740,003.85

Total Not to Exceed Value	\$	2,420,996.57
Previous Contract Value	\$	1,847,028.66
Requested Fee Supplement	\$	573,967.91

The original project scope of work and fee breakdown is included for reference.

We look forward to discussing this matter further and arriving at a mutually agreeable resolution. Please do not hesitate to contact us with any questions or additional information requirements.

Sincerely,

M2, A Part of Gannett Fleming TranSystems

A handwritten signature in black ink, appearing to read 'Ed Frankowski'.

Ed Frankowski, AIA, NCARB, LEED AP
Associate Principal

CC: David Alsop, Sam Marshall Architects, Architect of Record



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-492

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SPONSOR: Jared Moore, Council President

SUBJECT:

APPOINTMENTS - URBAN CORE REDEVELOPMENT BOARD

RECOMMENDATION:

That City Council appoint a resident, owner, or operator of a business in the Belmont DeVilliers Area, Central Business Area, East Hill Area, Historic District - Aragon Area, Long Hollow Area, and the Old East Hill Area to fill unexpired terms ending March 31, 2026.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Urban Core Redevelopment Board provides for the ongoing involvement of stakeholder groups in the Urban Core Community Redevelopment Area (established by Ordinance 08-20). The board's authority and duty is to make recommendations regarding implementation of the Urban Core Community Redevelopment Plan. The board shall consist of eleven (11) members appointed by the City Council. One member shall be a member of City Council. The following areas shall each have one (1) member representing it on the Board:

Belmont DeVilliers Area
East Hill Area
Historic District - Aragon Area
North Hill Area
Tanyard Area

Central Business Area
Gateway Area
Long Hollow Area
Old East Hill Area
Waterfront Area

Members appointed to these seats shall be residents, or owners, or operators of businesses located within the Urban Core CRA neighborhood in which they represent.

The following have been nominated or is an incumbent that would like to be considered for reappointment:

Nominee:

Belmont DeVilliers Area
Eddie Todd, Jr.

Nominated by:

Patton

Central Business Area

Michael Carro Patton

East Hill Area

Shirley Kirchharr Cronley Patton

Historic District - Aragon Area

Linda Webb Patton

Long Hollow Area

Michelle MacNeil Patton

Old East Hill Area

Christopher Satterwhite Incumbent

PRIOR ACTION:

March 23, 2023 - City Council reappointed two members to the board.

FUNDING:

N/A

FINANCIAL IMPACT:

N/A

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Ericka L. Burnett, City Clerk

ATTACHMENTS:

1. Member List
2. Nomination Form - Michael Carro
3. Application of Interest - Michael Carro
4. Resume - Michael Carro
5. Nomination Form - Shirley Kirchharr Cronley
6. Application of Interest - Shirley Kirchharr Cronley
7. Nomination Form - Michelle MacNeil
8. Application of Interest - Michelle MacNeil
9. Application of Interest - Christopher Satterwhite
10. Nomination Form - Eddie Todd Jr.
11. Application of Interest - Eddie Todd Jr.
12. Nomination Form - Linda Webb
13. Application of Interest - Linda Webb

PRESENTATION: No

Urban Core Redevelopment Board

Name	Profession	Appointed By	No. of Terms	Year	Exp Date	First Appointed	Term Length	Comments
Moore, Jared	Council Representative	Council	0	2025	11/24/2026	12/12/2024	2	
Nichols, Melanie	North Hill Area	Council	1	2025	3/31/2026	4/23/2020	3	
Satterwhite, Christopher	Old East Hill Area	Council	0	2025	3/31/2026	4/23/2020	3	
VACANT, VACANT	Long Hollow Area	Council	0	2025	3/31/2026	4/23/2020	0	
VACANT, VACANT	Waterfront Area	Council	0	2025	3/31/2026	7/16/2020	3	
VACANT, VACANT	Tanyard Area	Council	0	2025	3/31/2026	4/23/2020	3	
VACANT, VACANT	East Hill Area	Council	0	2025	3/31/2026	4/23/2020	3	
VACANT, VACANT	Central Business Area	Council	0	2025	3/31/2026	4/23/2020	3	
VACANT, VACANT	Belmont DeVilliers Area	Council	0	2025	3/31/2026	4/23/2020	3	
VACANT, VACANT	Historic District-Aragon	Council	0	2025	3/31/2026	4/23/2020	3	
Wieczorek, Kelly	Gateway Area	Council	1	2025	3/31/2026	4/23/2020	3	

Term Length: THREE YEARS

The Urban Core Redevelopment Board has been established to provide for the ongoing involvement of stakeholder groups in the Urban Core Community Redevelopment Area (Ordinance 08-20). The board's authority and duty is to make recommendations regarding implementation of the Urban Core Community Redevelopment Plan.

Members: Eleven (11) total. One member of Council and one representative from the following areas within the Urban Core CRA:

Belmont DeVilliers Area, Central Business Area, East Hill Area, Gateway Area, Historic District-Aragon Area, Long Hollow Area, North Hill Area, Old East Hill Area, Tanyard Area, and Waterfront Area.

Members appointed to these seats shall be residents or owners or operators of businesses located within the Urban Core CRA neighborhood in which they represent.

CITY OF PENSACOLA, FLORIDA

NOMINATION FORM

I, Allison Patton, do nominate Michael Carro
(Nominee)

178 N. Palafox St 850-380-3344
(Home Address) (Phone)

186 N. Palafox St. _____
(Business Address) (Phone)

mcarro@svn.com City Resident: YES NO
(Email Address) Property Owner within the City: YES NO

for appointment by the City Council for the position of:

**MEMBER
CENTRAL BUSINESS AREA
(Three-year term expiring 3/31/2026)**

Provide a brief description of nominee's qualifications:

Michael is experienced in real estate investment
and has invested heavily in downtown. He has served
on the DIB and other Boards and is passionate about
future development in the Urban Core. His expertise will
be needed as we implement the updated CRA plan.

[Signature]
City Council Member or Mayor

I hereby certify that the above
nomination was submitted to my
office within the time limitations
prescribed by the Rules and
Procedures of Council.

Ericka L. Burnett
Ericka L. Burnett, City Clerk

Ericka Burnett

From: noreply@civicplus.com
Sent: Wednesday, April 9, 2025 7:41 AM
To: Ericka Burnett; Robyn Tice
Subject: [EXTERNAL] Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

⚠ THIS EMAIL IS FROM AN EXTERNAL EMAIL ACCOUNT ⚠

Application for Boards, Authorities, and Commissions - City Council Appointment

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(Section Break)

Personal Information

Name	Michael A Carro
------	-----------------

Home Address	178 N Palafox St Pensacola, FL 32502
--------------	---

Business Address	186 N Palafox Street Pensacola, FL 32502
------------------	---

To which address do you prefer we send correspondence regarding this application?	Business
---	----------

Preferred Contact Phone Number(s)	8503803344
-----------------------------------	------------

Email Address	mcarro@svn.com
---------------	--

Upload Resume (optional) [Michael Carro Resume 2025.pdf](#)

(Section Break)

Details

Are you a City resident? Yes

If yes, which district? 6

If yes, how long have you been a City resident? 26 years

Do you own property within the City limits? Yes

Are you a registered voter in the city? Yes

Board(s) of interest: CRA

Please list the reasons for your interest in this position: I work, live, invest and play in the CRA boundaries. My goal is the ensure the district continues to thrive and benefit the entire community.

Do you currently serve on a board? Yes

If yes, which board(s)? America's First Settlement Foundation

Do you currently hold a public office? No

If so, what office? *Field not completed.*

Would you be willing to resign your current office for the appointment you now seek? Yes

(Section Break)

Diversity

In order to encourage diversity in selections of members of government committees, the following information is required by Florida Statute 760.80 for some committees.

Gender	Male
Race	Caucasian
Physically Disabled	No
(Section Break)	
Acknowledgement of Terms	I accept these terms.

Email not displaying correctly? [View it in your browser.](#)

MICHAEL CARRO

Top Commercial Real Estate Broker | Investor | Developer | Community Leader

SVN Southland Commercial Real Estate

Pensacola, Florida

mcarro@svn.com | 850-380-3344

PROFESSIONAL SUMMARY

Accomplished Commercial Real Estate Broker with over two decades of experience in investment properties, business transactions, and commercial development. Recognized nationally as a top producer within SVN and previously with NAI Global. A CCIM designee and recipient of multiple NAIOP awards, Michael brings a unique blend of brokerage expertise, entrepreneurial insight, and community leadership to every deal.

CORE COMPETENCIES

- Investment Property Sales & Acquisitions
- Business Transactions
- Restaurant & Hospitality Real Estate
- Commercial Development
- Downtown Revitalization
- Nonprofit Leadership & Community Engagement
- Strategic Negotiations
- CCIM-Level Financial Analysis

CAREER HIGHLIGHTS

SVN Southland Commercial Real Estate

Senior Advisor, Broker, Owner | 2014–Present

- Top Producer (2014–2024)
- #3 Nationally in 2016 (out of 2,500 SVN Advisors), #1 in Florida
- #16 Nationally and #8 in Florida in 2022

NAI Pensacola (NAI Global Affiliate)

Senior Advisor | 2007–2013

- Top Producer (2009–2013)

Paradigm Investment Group

Co-Founder & Vice President | 1999–Current

- Oversaw acquisition and operations of 120 Hardee's restaurants across 5 states
- Paradigm currently owns 75 Hardee's in 4 states

RESTAURANT REAL ESTATE SPECIALIST

- Founder, The Restaurant Realty Network & TheRestaurantRealty.com
- Host, "The Restaurant Realty in 10" Podcast
- Former Host, "The Restaurant Realty Show" on News Radio 1620
- Member, International Hardee's Franchise Association (IHFA), Purchasing Committee (2002–2006)

CERTIFICATIONS & AFFILIATIONS

- CCIM Designee – Certified Commercial Investment Member
- NAIOP Broker Deal of the Year – 2010, 2016, 2023
- NAIOP "New Development of the Year" – 2014
- NAIOP "Redevelopment of the Year" – 2021

DEVELOPMENT PROJECTS

- The Garden at Palafox & Main – Developer of Al Fresco open-air and reimagined
- The Sanctuary Event Center – Adaptive reuse of 1905 Church into premier event venue
- Ruby Slipper Café – Developer, conversion of former Trader Jon's annex

DOWNTOWN PENSACOLA INVESTMENTS

- 22 N. Palafox Street – Restaurant Iron
- 182 & 186 N. Palafox Street – Office Buildings
- 7 & 9 E Gregory Street – Retail
- 8 W Garden Street – Parking Lot

- 5 W Main Street – Retail

COMMUNITY & NONPROFIT LEADERSHIP

- President, CCIM Panhandle District (2024–Present)
- Founder/President, America’s First Settlement Trail Foundation
- Chairman, Downtown Improvement Board (2018–2023)
- Founder/Former President, Gallery Night Pensacola
- Former President, Pathways For Change
- Former President, Northeast Pensacola Sertoma Club
 - Sertoman of the Year: 2012, 2013
 - Life Member Honoree: 2024
- Founder & Former Chair, HogFest Charity Event (2005 to Present)
- President’s Volunteer Service Award – 2008

EDUCATION

University of Arizona – Tucson, AZ

Bachelor of Science in Business Administration, Major: Finance

- Alpha Tau Omega Fraternity
- University Cheerleading Team (1987–1990)

PERSONAL

- Born in Rome, New York
- Married to Danielle since 1996
- Father to Milan and Roman
- Parishioner, St. Michael’s Catholic Church

CITY OF PENSACOLA, FLORIDA

NOMINATION FORM

I, Allison Patton, do nominate Shirley Kinchharr Cronley
(Nominee)
1201 E. Gadsden Street 850-748-9008
(Home Address) (Phone)

(Business Address) (Phone)
scronley@cox.net City Resident: ☒ YES NO
(Email Address) Property Owner within the City: ☒ YES NO

for appointment by the City Council for the position of:

**MEMBER
EAST HILL AREA
(Three-year term expiring 3/31/2026)**

Provide a brief description of nominee's qualifications:

Shirley has been engaged in the betterment of our community in so many ways. From her charitable work to her service on the Tourist Development Commission Board and other Boards, Shirley has gained a lot of experience helping our community. She lives in the heart of the East Hill Urban Core area and will represent it well.

[Signature]
City Council Member or Mayor

I hereby certify that the above nomination was submitted to my office within the time limitations prescribed by the Rules and Procedures of Council.

Ericka L. Burnett
Ericka L. Burnett, City Clerk

Ericka Burnett

From: noreply@civicplus.com
Sent: Thursday, April 10, 2025 6:39 PM
To: Ericka Burnett; Robyn Tice
Subject: [EXTERNAL] Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

⚠ THIS EMAIL IS FROM AN EXTERNAL EMAIL ACCOUNT ⚠

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(Section Break)

Personal Information

Name	Shirley Kirchharr Cronley
------	---------------------------

Home Address	1201 E Gadsden Street, Pensacola FL 32501
--------------	---

Business Address	Field not completed.
------------------	----------------------

To which address do you prefer we send correspondence regarding this application?	Home
---	------

Preferred Contact Phone Number(s)	8507489008
-----------------------------------	------------

Email Address	scronley@cox.net
---------------	--

Upload Resume (optional)	<i>Field not completed.</i>
-----------------------------	-----------------------------

(Section Break)

Details

Are you a City resident?	Yes
--------------------------	-----

If yes, which district?	6
-------------------------	---

If yes, how long have you been a City resident?	25 years
---	----------

Do you own property within the City limits?	Yes
--	-----

Are you a registered voter in the city?	Yes
--	-----

Board(s) of interest:	Urban Core CRA Board
-----------------------	----------------------

Please list the reasons for your interest in this position:	As a city resident and living in the core area, I am interested in the future development of our community. I feel the Pensacola elected officials are guiding the city in a positive direction and I would like to be part of the process.
---	---

Do you currently serve on a board?	Yes
---------------------------------------	-----

If yes, which board(s)?	Escambia County Tourism Development Council (TDC)
-------------------------	---

Do you currently hold a public office?	No
---	----

If so, what office?	<i>Field not completed.</i>
---------------------	-----------------------------

Would you be willing to resign your current office for the appointment you now seek?	N/A
--	-----

(Section Break)

Diversity

In order to encourage diversity in selections of members of government committees, the following information is required by Florida Statute 760.80 for some committees.

Gender	Female
Race	Caucasian
Physically Disabled	No
(Section Break)	
Acknowledgement of Terms	I accept these terms.

Email not displaying correctly? [View it in your browser.](#)

CITY OF PENSACOLA, FLORIDA

NOMINATION FORM

I, Allison Patton, do nominate Michelle MacNeil
(Nominee)

105 E. Desoto St 850 516 6544
(Home Address) (Phone)

105 E. Desoto St
(Business Address) (Phone)

(Email Address) City Resident: YES NO
Property Owner within the City: YES NO

for appointment by the City Council for the position of:

**MEMBER
LONG HOLLOW AREA
(Three-year term expiring 3/31/2026)**

Provide a brief description of nominee's qualifications:

Michelle is an architect and planner who has lived in the Long hollow neighborhood for 35 years. She has designed buildings in the area and served on the First City Arts Board for 9 years. Her in-depth knowledge of the area and commitment to improving it will be a great addition to the Board.

[Signature]
City Council Member or Mayor

I hereby certify that the above nomination was submitted to my office within the time limitations prescribed by the Rules and Procedures of Council.

Ericka L. Burnett
Ericka L. Burnett, City Clerk

Ericka Burnett

From: noreply@civicplus.com
Sent: Thursday, April 10, 2025 8:29 AM
To: Ericka Burnett; Robyn Tice
Subject: [EXTERNAL] Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

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(Section Break)

Personal Information

Name	Michelle MacNeil
------	------------------

Home Address	105 E. De Soto St. Pensacola, FL 32501
--------------	---

Business Address	105 E. De Soto St. Pensacola, FL 32501
------------------	---

To which address do you prefer we send correspondence regarding this application?	Home
---	------

Preferred Contact Phone Number(s)	8505166544
-----------------------------------	------------

Email Address	michellemacneil22@gmail.com
---------------	--

Upload Resume (optional)	<i>Field not completed.</i>
-----------------------------	-----------------------------

(Section Break)

Details

Are you a City resident?	Yes
--------------------------	-----

If yes, which district?	6
-------------------------	---

If yes, how long have you been a City resident?	Pensacola
---	-----------

Do you own property within the City limits?	Yes
---	-----

Are you a registered voter in the city?	Yes
---	-----

Board(s) of interest:	Urban Core Redevelopment Board
-----------------------	--------------------------------

Please list the reasons for your interest in this position:	I am a 35 year Long Hollow neighborhood resident and business owner. I am an architect and planner and have designed a number of buildings in the Long Hollow Neighborhood and the Long Hollow Neighborhood Park. I served on the First City Art Center Board for 9 years and was one of the people responsible for bringing them to the Long Hollow Neighborhood. I am very interested in improving the Urban Core and serving my neighborhood and the City of Pensacola.
---	--

Do you currently serve on a board?	No
------------------------------------	----

If yes, which board(s)?	<i>Field not completed.</i>
-------------------------	-----------------------------

Do you currently hold a public office?	No
--	----

If so, what office?	<i>Field not completed.</i>
---------------------	-----------------------------

Would you be willing to resign your current office for the appointment you now seek?	N/A
--	-----

(Section Break)

Diversity

In order to encourage diversity in selections of members of government committees, the following information is required by Florida Statute 760.80 for some committees.

Gender	Female
--------	--------

Race	Caucasian
------	-----------

Physically Disabled	No
---------------------	----

(Section Break)

Acknowledgement of Terms	I accept these terms.
--------------------------	-----------------------

Email not displaying correctly? [View it in your browser.](#)

Ericka Burnett

From: noreply@civicplus.com
Sent: Wednesday, March 12, 2025 9:47 PM
To: Ericka Burnett; Robyn Tice
Subject: [EXTERNAL] Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

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Application for Boards, Authorities, and Commissions - City Council Appointment

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(Section Break)

Personal Information

Name	Christopher Satterwhite
------	-------------------------

Home Address	309 N 6th Ave Pensacola, FL 32501
--------------	--------------------------------------

Business Address	Open Books, 1040 N Guillemard St Pensacola, FL 32501
------------------	--

To which address do you prefer we send correspondence regarding this application?	Home
---	------

Preferred Contact Phone Number(s)	352-634-2256
-----------------------------------	--------------

Email Address	satterwhite309@gmail.com
Upload Resume (optional)	<i>Field not completed.</i>
(Section Break)	
Details	
Are you a City resident?	Yes
If yes, which district?	<i>Field not completed.</i>
If yes, how long have you been a City resident?	25 years
Do you own property within the City limits?	Yes
Are you a registered voter in the city?	Yes
Board(s) of interest:	Urban Core CRA
Please list the reasons for your interest in this position:	Continuing with current position as chair of Urban Core CRA, as well as having a voice in my city government
Do you currently serve on a board?	Yes
If yes, which board(s)?	Urban Core CRA
Do you currently hold a public office?	Yes
If so, what office?	Chair of Urban Core CRA (I think that qualifies, but if not, disregard)
Would you be willing to resign your current office for the appointment you now seek?	N/A
(Section Break)	
Diversity	
<i>In order to encourage diversity in selections of members of government</i>	

committees, the following information is required by Florida Statute 760.80 for some committees.

Gender	Male
--------	------

Race	Other
------	-------

Physically Disabled	No
---------------------	----

(Section Break)

Acknowledgement of Terms	I accept these terms.
--------------------------	-----------------------

Email not displaying correctly? [View it in your browser.](#)

CITY OF PENSACOLA, FLORIDA

NOMINATION FORM

I, Allison Patton, do nominate Eddie Todd, Jr.
(Nominee)

695 W Lee St.
(Home Address) (Phone)

321 N. Devilliers St Ste #08
(Business Address) (Phone) 850-206-5275

toddett@bellsouth.net
(Email Address) City Resident: ☒ YES ☐ NO
Property Owner within the City: ☒ YES ☐ NO

for appointment by the City Council for the position of:

**MEMBER
BELMONT DEVILLIERS AREA
(Three-year term expiring 3/31/2026)**

Provide a brief description of nominee's qualifications:

Eddie Todd is a local architect and President of the Belmont-Devilliers neighborhood association, who have asked him to serve in this role. Eddie is a great community partner and has served in numerous roles in the community.

[Signature]
City Council Member or Mayor

I hereby certify that the above nomination was submitted to my office within the time limitations prescribed by the Rules and Procedures of Council.

Ericka L. Burnett
Ericka L. Burnett, City Clerk

Ericka Burnett

From: noreply@civicplus.com
Sent: Thursday, April 10, 2025 10:15 AM
To: Ericka Burnett; Robyn Tice
Subject: [EXTERNAL] Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

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(Section Break)

Personal Information

Name	Eddie Todd, Jr.
Home Address	695 West Lee Street
Business Address	321 N. DeVilliers St. Suite #108 Pensacola, FL 32501
To which address do you prefer we send correspondence regarding this application?	Business
Preferred Contact Phone Number(s)	8502065275
Email Address	toddeta@bellsouth.net

Upload Resume (optional)	<i>Field not completed.</i>
-----------------------------	-----------------------------

(Section Break)

Details

Are you a City resident?	Yes
--------------------------	-----

If yes, which district?	<i>Field not completed.</i>
-------------------------	-----------------------------

If yes, how long have you been a City resident?	40 (+) years
---	--------------

Do you own property within the City limits?	Yes
---	-----

Are you a registered voter in the city?	Yes
---	-----

Board(s) of interest:	Urban Core Redevelopment Board
-----------------------	--------------------------------

Please list the reasons for your interest in this position:	1.) Currently President of the Belmont Devilliers Neighborhood Association. Will serve as their representative. 2) Local Architect
---	---

Do you currently serve on a board?	No
------------------------------------	----

If yes, which board(s)?	<i>Field not completed.</i>
-------------------------	-----------------------------

Do you currently hold a public office?	No
--	----

If so, what office?	<i>Field not completed.</i>
---------------------	-----------------------------

Would you be willing to resign your current office for the appointment you now seek?	N/A
--	-----

(Section Break)

Diversity

In order to encourage diversity in selections of members of government committees, the following information is required by Florida Statute 760.80 for some committees.

Gender	Male
Race	African-American
Physically Disabled	No
(Section Break)	
Acknowledgement of Terms	I accept these terms.

Email not displaying correctly? [View it in your browser.](#)

CITY OF PENSACOLA, FLORIDA

NOMINATION FORM

I, Allison Patton, do nominate Linda Webb
(Nominee)

201 S. Florida Blaney St. 850-572-3012
(Home Address) (Phone)

(Business Address) (Phone)

lcwebb@aoy.net City Resident: YES NO
(Email Address) Property Owner within the City: YES NO

for appointment by the City Council for the position of:

**MEMBER
HISTORIC DISTRICT – ARAGON AREA
(Three-year term expiring 3/31/2026)**

Provide a brief description of nominee's qualifications:

Linda is the President of the Seville Square Historic Neighborhood Association. She is passionate about the betterment and preservation of the area she represents. She is a collaborative, engaged representative and will bring a positive perspective to the work of the Urban Core CRA Board.

[Signature]
City Council Member or Mayor

I hereby certify that the above nomination was submitted to my office within the time limitations prescribed by the Rules and Procedures of Council.

Ericka L. Burnett
Ericka L. Burnett, City Clerk

Ericka Burnett

From: noreply@civicplus.com
Sent: Friday, April 11, 2025 8:36 AM
To: Ericka Burnett; Robyn Tice
Subject: [EXTERNAL] Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

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(Section Break)

Personal Information

Name	Linda Webb
------	------------

Home Address	206 S. Florida Blanca St Pensacola Florida 32502
--------------	---

Business Address	Field not completed.
------------------	----------------------

To which address do you prefer we send correspondence regarding this application?	Home
---	------

Preferred Contact Phone Number(s)	8505723012
-----------------------------------	------------

Email Address	lcwebb@cox.net
---------------	--

Upload Resume (optional)	<i>Field not completed.</i>
-----------------------------	-----------------------------

(Section Break)

Details

Are you a City resident?	Yes
--------------------------	-----

If yes, which district?	6
-------------------------	---

If yes, how long have you been a City resident?	40 years
---	----------

Do you own property within the City limits?	Yes
--	-----

Are you a registered voter in the city?	Yes
--	-----

Board(s) of interest:	CRA Urban Core
-----------------------	----------------

Please list the reasons for your interest in this position:	I want to represent my area that I alive in.
---	--

Do you currently serve on a board?	No
---------------------------------------	----

If yes, which board(s)?	<i>Field not completed.</i>
-------------------------	-----------------------------

Do you currently hold a public office?	No
---	----

If so, what office?	<i>Field not completed.</i>
---------------------	-----------------------------

Would you be willing to resign your current office for the appointment you now seek?	N/A
--	-----

(Section Break)

Diversity

In order to encourage diversity in selections of members of government committees, the following information is required by Florida Statute 760.80 for some committees.

Gender	Female
Race	Caucasian
Physically Disabled	No
(Section Break)	
Acknowledgement of Terms	I accept these terms.

Email not displaying correctly? [View it in your browser.](#)



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-389

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

FLORIDA DEPARTMENT OF TRANSPORTATION - GRANT NO. 453476-2-34-01 - FLORIDA SHARED-USE NON-MOTORIZED (SUN) TRAIL NETWORK PROGRAM

RECOMMENDATION:

That City Council Authorize the acceptance of Florida Department of Transportation Grant No. 453476-2-34-01 - Florida Shared-Use Non-Motorized (Sun) Trail Network Program. Further, that City Council adopt a Supplemental Budget Resolution appropriating the grant funds.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance the City of Pensacola Strategic Plan Goal for More Walkable Mixed-Use Districts.

The purpose of this Agreement is to provide for the Florida Department of Transportation's financial participation in the design of a Shared Nonmotorized Trail on Main Street from South Pace Boulevard to South Tarragona Street. This shared non-motorized trail is known as the Downtown Pensacola Waterfront Connector Trail. This design effort is for various segments of the City's downtown trail vision to fill in a major gap in the SUN Trail network, from S. Pace Blvd to S Tarragona St. for approximately 1.36 miles. The two segments of this have been identified in the attached project limits map.

This project carries out a key component envisioned in the Urban Core Community Redevelopment Plan and the City Active Transportation Plan. The planned trail will enhance safety by providing a separated facility for bicyclists and pedestrians. The safety element is a buffer between motorists and non-motorist as well as high-intensity crosswalks at the various intersections. The design will prevent cyclists from having to ride in lanes with high traffic volumes and the increased buffer between modes will reduce impacts from off-road crashes.

PRIOR ACTION:

November 9, 2023 - City Council adopted Resolution No. 2023-88 - Supporting a Grant

Application to FDOT for Suntrail Funding Program

FUNDING:

Budget: \$441,023.00 Funding needed for engineering design, plans production, and permitting

Actual: \$441,023.00 FDOT-supplied funding for engineering design, plans production, and permitting

FINANCIAL IMPACT:

Council is being asked to approve the Agreement between the City of Pensacola and the Florida Department of Transportation. Adoption of the supplemental budget resolution will appropriate the grant funds in the amount of \$441,023.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

STAFF CONTACT:

Tim Kinsella, City Administrator

Amy Tootle, Director of Public Works and Engineering

ATTACHMENTS:

1. 453476-2-Main Street
2. Western Project Limits
3. Eastern Project limits

PRESENTATION: No

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Financial Project No:453476-2-34-01	Contract No. _____	Vendor No.: <u>F596000406005</u>	CSFA No. and Title: <u>55.038</u> Florida Shared-Use Nonmotorized (SUN) Trail Network Program
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THIS FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM GRANT AGREEMENT ("Agreement") is entered into this _____ day of _____, by and between the State of Florida Department of Transportation, ("Department"), and City of Pensacola, ("Recipient"). The Department and the Recipient are sometimes referred to in this Agreement as a "Party" and collectively as the "Parties".

RECITALS

- A. The Department is authorized under Section 339.81, Florida Statutes, to enter into this Agreement.
- B. The Florida Shared-Use Nonmotorized Trail Network Program is included in the Department's work program for the purposes of funding and maintaining projects within the network.
- C. The purpose of this Agreement is to provide for the Department's participation in Design of a Shared-Use Nonmotorized Trail on Main Street from S Pace Boulevard to S Tarragona Street, as further described in **Exhibit "A", Project Description and Responsibilities** ("Project"), state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed. The Project is or shall be a component of the Florida Shared-Use Nonmotorized Trail Network and it would be more practical, expeditious, and economical for the Recipient to perform the Project.
- D. The Recipient by Resolution No. _____ adopted on _____, 20____, a copy of which is attached hereto and made a part hereof as **Exhibit "E", Recipient Resolution**, authorizes the proper officials to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from joint participation on the Project, the Parties agree to the following:

1. **Incorporation of Recitals:** The recitals set forth above are true and correct and are incorporated into this Agreement.
2. **Term of Agreement:** This Agreement shall commence upon full execution by both Parties ("Effective Date") and continue through 3/1, 2026. If the Recipient does not complete the Project within this time period, this Agreement will expire on the last day of the scheduled completion as provided in this paragraph unless an extension of the time period is requested by the Recipient and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department. Unless terminated earlier, work on the Project shall commence no later than: May 5, 2025 of or **(N/A/ design)**

[Type here]

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months of the issuance of the Notice to Proceed for the construction phase of the Project (if the Project involves construction), whichever date is earlier. The Department shall have the option to immediately terminate this Agreement should the Agency fail to meet the above-required dates.

- 3. Amendments, Extensions and Assignment:** This Agreement may be amended or extended upon mutual written agreement of the Parties. This Agreement shall not be renewed. This Agreement shall not be assigned, transferred or otherwise encumbered by the Recipient under any circumstances without the prior written consent of the Department.
- 4. Termination or Suspension of Project:** The Department may, by written notice to the Recipient, suspend any or all of the Recipient's obligations under this Agreement for the Recipient's failure to comply with applicable law or the terms of this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected. The Department may also terminate this Agreement in whole or in part at any time the interest of the Department requires such termination.
 - a.** If the Department terminates the Agreement, the Department shall notify the Recipient of such termination in writing within thirty (30) days of the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.
 - b.** The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.
 - c.** If the Agreement is terminated before performance is completed, the Recipient shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of the contract price as the amount of work satisfactorily completed is a percentage of the total work called for by this Agreement. All work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Recipient.
 - d.** In the event the Recipient fails to perform or honor the requirements and provisions of this Agreement, the Recipient shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.
- 5. Project Cost:**
 - a.** The estimated total cost of the Project is \$441,023 This amount is based upon the schedule of funding in **Exhibit "B", Schedule of Financial Assistance**. The schedule of funding may be modified by mutual agreement of the Parties.
 - b.** The Department agrees to participate in the Project cost up to the maximum amount of **\$441,023** and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Parties agree that the Department's participation may be increased or reduced upon a determination of the actual bid amounts of the Project by the execution of a supplemental agreement. The Recipient agrees to bear all expenses in excess of the amount of the Department's participation and any cost overruns or deficits involved.
- 6. Compensation and Payment:**
 - a.** The Department shall reimburse the Recipient for costs incurred to perform services described in the Project Description and Responsibilities in **Exhibit "A"**, and as set forth in the Schedule of Financial Assistance in **Exhibit "B"**.

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- b. The Recipient shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project, identified as Financial Project Number 453476-2-34-01, and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A"**, Project Description and Responsibilities. Any changes to the deliverables shall require written approval in advance by the Department.
- c. Invoices shall be submitted no more often than monthly by the Recipient in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable and verifiable deliverables as established in **Exhibit "A"**. Deliverables must be received and accepted in writing by the Department's Project Manager prior to reimbursements. The Department will identify the Department's Project Manager to the Recipient in writing. Requests for reimbursement by the Recipient shall include an invoice, progress report and supporting documentation for the period of services being billed that are acceptable to the Department. The Recipient shall use the format for the invoice and progress report that is approved by the Department.
- d. Supporting documentation must establish that the deliverables were received and accepted in writing by the Recipient and must also establish that the required minimum level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A"** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit H- Contract Payment Requirements**.
- e. Travel expenses are not compensable under this Agreement.
- f. Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes or the Department's Comptroller under s. 334.044 (29), Florida Statutes. If the Department determines that the performance of the Recipient is unsatisfactory, the Department shall notify the Recipient of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Recipient shall, within five days after notice from the Department, provide the Department with a corrective action plan describing how the Recipient will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract noncompliance. If the corrective action plan is unacceptable to the Department, the Recipient will not be reimbursed to the extent of the non-performance. The Recipient will not be reimbursed until the Recipient resolves the deficiency. If the deficiency is subsequently resolved, the Recipient may bill the Department for the unpaid reimbursement request(s) during the next billing period. If the Recipient is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.
- g. Recipients providing goods and services to the Department should be aware of the following time frames. Inspection and approval of goods or services shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the goods or services are received, inspected, and approved.

If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to **Section 55.03(1), F.S.**, will be due and payable, in addition to the invoice amount, to the Recipient. Interest penalties of less than one (1) dollar will not be enforced unless the Recipient requests payment. Invoices that have to be returned to a Recipient because of

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Recipient preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agencies who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

- h. The Recipient shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these documents and records shall be furnished to the Department upon request. Records of costs incurred include the Recipient's general accounting records and the project records, together with supporting documents and records, of the contractor and all subcontractors performing work on the project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.
- i. Upon request, the Recipient agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.
- j. If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement which it has with the Recipient owing such amount if, upon demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.
- k. The Recipient must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.
- l. The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department's project manager must be received prior to costs being incurred by the Recipient. See **Exhibit "B"** for funding levels by fiscal year. Project costs utilizing these fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Recipient, in writing, when funds are available.
- m. In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

"The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or

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agreed to be paid for in succeeding fiscal years, and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year."

- n. Any Project funds made available by the Department pursuant to this Agreement which are determined by the Department to have been expended by the Recipient in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Recipient files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.
- o. In determining the amount of the payment, the Department will exclude all Project costs incurred by the Recipient prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs which are not provided for in the latest approved schedule of funding in **Exhibit "B"** for the Project, costs agreed to be borne by the Recipient or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangements which have not been approved in writing by the Department.

7. General Requirements:

The Recipient shall complete the Project with all practical dispatch in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement and all applicable laws.

- a. In the event the Recipient proceeds with any phase of the Project utilizing its own forces, the Recipient will only be reimbursed for direct costs (this excludes general overhead).
- b. The Recipient shall certify to Department that the Recipient's design consultant and/or construction contractor has secured the necessary permits. If the Recipient fails to provide such certification to Department between Phase IV and Final Plans, the Department may, at its discretion, terminate this Agreement.
- c. The Recipient shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained.
- d. In the event the cost of the Project is greater than \$250,000.00 and the Project involves construction on the Department's right-of-way, the Recipient shall provide the Department with written notification of either its intent to:
 - i. Award the construction of the Project to a Department prequalified contractor which is the lowest and best bidder in accordance with applicable state and federal statutes, rules, and regulations. The Recipient shall then submit a copy of the bid tally sheet(s) and awarded bid contract, or
 - ii. Construct the Project utilizing existing Recipient employees, if the Recipient can complete said Project within the time frame set forth in this Agreement.
- e. The Recipient shall be responsible for assuring that the Project complies with all applicable Federal, State and Local laws, rules, regulations, guidelines and standards.
- f. The Recipient shall have the sole responsibility for resolving claims and requests for additional work for the Project. The Recipient will make best efforts to obtain the Department's input in its decisions.

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- g. ☐ If this box is selected, then the following provision is incorporated into this Agreement:

A portion of the Project will be located on the Department's right-of-way and the Recipient shall be responsible for ensuring that the construction work under this Agreement is performed in accordance with the approved construction documents, and that it will meet all applicable Department standards and that the work is performed in accord with **Exhibit "F", Terms and Conditions of Construction**, attached to and incorporated into this Agreement.

8. Contracts of the Recipient

- a. Except as otherwise authorized in writing by the Department, the Recipient shall not execute any contract or obligate itself in any manner requiring the disbursement of Department funds, including consultant or construction contracts or amendments thereto, with any third party with respect to the Project without the written approval of the Department. Failure to obtain such approval shall be sufficient cause for nonpayment by the Department. The Department specifically reserves the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of such consultant or contractor.
- b. It is understood and agreed by the parties to this Agreement that participation by the Department in a project with the Recipient, where said project involves a consultant contract for engineering, architecture or surveying services, is contingent on the Recipient's complying in full with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act. In all cases, the Recipient shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act.

9. Design and Construction Standards and Required Approvals: In the event the Project includes construction the following provisions are incorporated into this Agreement:

- a. The Recipient shall hire a qualified contractor using the Recipient's normal bid procedures to perform the construction work for the Project. The Recipient must certify that the installation of the Project is completed by a Contractor prequalified by the Department as required by Section 2 of the Standard Specifications for Road and Bridge Construction (2016), as amended, unless otherwise approved by the Department in writing or exhibit past project experience in the last five years that are comparable in scale, composition, and overall quality of the site identified within the scope of services of this Project.
- b. Construction Engineering Inspection (CEI) services will be provided by the Recipient by hiring a Department prequalified consultant firm including one individual that has completed the Advanced Maintenance of Traffic Level Training, unless otherwise approved by the Department in writing. The CEI staff shall be present on the Project at all times that the contractor is working. Administration of the CEI staff shall be under the responsible charge of a State of Florida Licensed Professional Engineer who shall provide the certification that all design and construction for the Project meets the minimum construction standards established by Department.. The Department shall approve all CEI personnel. The CEI firm shall not be the same firm as that of the Engineer of Record for the Project. The Department shall have the right, but not the obligation, to perform independent assurance testing during the course of construction of the Project.
- c. The Recipient understands that it is responsible for the preparation of all design plans for the Project. The Recipient shall hire a qualified consultant for the design phase of the Project using the Recipient's normal procurement procedures to perform the design services for the Project.
- d. Execution of this Agreement by both Parties shall be deemed a Notice to Proceed to the Recipient for the design phase or other non-construction phases of the Project. If the Project

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involves a construction phase, the Recipient shall not begin the construction phase of the Project until the Department issues a Notice to Proceed for the construction phase. Prior to commencing the construction work described in this Agreement, the Recipient shall request a Notice to Proceed from the Department's Construction Project Manager, N/A, at () - or from an appointed designee. **Any work performed prior to the execution of this Agreement is not subject to reimbursement.**

- e. The Recipient will provide one (1) copy of the final design plans and specifications and final bid documents to the Department's Construction Project Manager prior to commencing construction of the Project.
- f. The Recipient shall require the Recipient's contractor to post a payment and performance bond in accordance with Section 337.18(1), Florida Statutes.
- g. The Recipient shall be responsible to ensure that the construction work under this Agreement is performed in accordance with the approved construction documents, and that it will meet all applicable Recipient and Department standards.
- h. Upon completion of the work authorized by this Agreement, the Recipient shall notify the Department in writing of the completion of construction of the Project; and for all design work that originally required certification by a Professional Engineer, this notification shall contain an Engineers Certification of Compliance, signed and sealed by a Professional Engineer, the form of which is attached hereto and incorporated herein as **Exhibit "C", Engineers Certification of Completion**. The certification shall state that work has been completed in compliance with the Project construction plans and specifications. If any deviations are found from the approved plans, the certification shall include a list of all deviations along with an explanation that justifies the reason to accept each deviation.

10. Maintenance Obligations: The following provisions are incorporated into this Agreement:

- a. The Recipient has agreed by resolution to execute a Maintenance Memorandum of Agreement ("MMOA") in which Recipient agrees to maintain the entire Project as depicted in the construction plans and specifications for the useful life of the Project, and such resolution is attached and incorporated into this Agreement as **Exhibit "E"**. The Recipient shall execute the MMOA concurrently with execution of this Agreement. The MMOA is attached and incorporated into this Agreement as **Exhibit "G"**. The terms of the MMOA, **Exhibit "G"**, shall survive the termination of this Agreement. The Parties acknowledge and agree that the design plans for the Project may not yet be finalized and are subject to review by the Department. Upon completion of the Project, the Parties shall amend the MMOA to attach the latest version of the construction plans for the Project to the MMOA in order to show the extent of the Project to be maintained.

11. State Single Audit: The administration of resources awarded through the Department to the Recipient by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any state agency inspector general, the Auditor General, or any other state official. The Recipient shall comply with all audit and audit reporting requirements as specified below.

- a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the Recipient's use of state financial assistance may include but not be limited to on-site visits by Department staff and/or other procedures including, reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the Department by this

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Agreement. By entering into this Agreement, the Recipient agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, the Department of Financial Services (DFS) or the Auditor General.

- b.** The Recipient, a nonstate entity as defined by Section 215.97(2), Florida Statutes, as a recipient of state financial assistance awarded by the Department through this Agreement is subject to the following requirements:

 - i.** In the event the Recipient meets the audit threshold requirements established by Section 215.97, Florida Statutes, the Recipient must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit “D”** to this Agreement indicates state financial assistance awarded through the Department by this Agreement needed by the Recipient to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department by this Agreement, other state agencies and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
 - ii.** In connection with the audit requirements, the Recipient shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
 - iii.** In the event the Recipient does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the Recipient is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the Recipient must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Recipient's audit period for each applicable audit year. In the event the Recipient does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the Recipient's resources (i.e., the cost of such an audit must be paid from the Recipient's resources obtained from other than State entities).
 - iv.** In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this Agreement shall be submitted to:

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Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, FL 32399-0405
Email: FDOTSingleAudit@dot.state.fl.us

And

State of Florida Auditor General
Local Government Audits/342
111 West Madison Street, Room 401
Tallahassee, FL 32399-1450
Email: flaudgen_localgovt@aud.state.fl.us

- v. Any copies of financial reporting packages, reports or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
 - vi. The Recipient, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Recipient in correspondence accompanying the reporting package.
 - vii. Upon receipt, and within six months, the Department will review the Recipient's financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Recipient fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.
 - viii. As a condition of receiving state financial assistance, the Recipient shall permit the Department, or its designee, DFS or the Auditor General access to the Recipient's records including financial statements, the independent auditor's working papers and project records as necessary. Records related to unresolved audit findings, appeals or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The Recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department, or its designee, DFS or the Auditor General access to such records upon request. The Recipient shall ensure that the audit working papers are made available to the Department, or its designee, DFS or the Auditor General upon request for a period of five years from the date the audit report is issued unless extended in writing by the Department.

12. Notices and Approvals:

- a. All notices (except invoices) pertaining to this Agreement are in effect upon receipt by either Party, shall be in writing, and shall be transmitted either by personal hand delivery; United States Post Office, return receipt requested; or, overnight express mail delivery. E-mail and facsimile may be used if the notice is also transmitted by one of the preceding forms of delivery. The addresses and the Agreement Administrators set forth below for the respective Parties shall be the places where notices shall be sent, unless prior written notice of change of address is given.

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STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

**TANYA BRANTON, SUN TRAIL COORDINATOR
1074 HIGHWAY 90 EAST
CHIPLEY, FLORIDA 32428
(850) 330-1550
TANYA.BRANTON@DOT.STATE.FL.US**

RECIPIENT:

**CITY OF PENSACOLA
222 W MAIN STREET
PENSACOLA, FL 32502
(850) 324-3739
DFORTE@CITYOFPENSACOLA.COM**

- b.** All approvals referenced in this Agreement must be obtained in writing from the Parties' respective Administrators or their designees.

13. Restrictions, Prohibitions, Controls and Labor Provisions:

- a.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- b.** In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity.
- c.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied or have further been determined by the Department to be a non-responsible contractor may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Recipient.
- d.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.
- e.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.

STATE OF FLORIDA Department OF TRANSPORTATION
**FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM
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- f. The Recipient shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.

14. Indemnification and Insurance:

- a. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Recipient guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Recipient or any subcontractor, in connection with this Agreement. Additionally, the Recipient agrees to include the following indemnification in all contracts with contractors/subcontractors and consultants/subconsultants who perform work in connection with this Agreement:

“To the fullest extent permitted by law, the Recipient's contractor/consultant shall indemnify and hold harmless the Recipient and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

This indemnification shall survive the termination of this Agreement. Nothing contained in this paragraph is intended to nor shall it constitute a waiver of the State of Florida and the Recipient's sovereign immunity.”

- b. The Recipient shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If subletting any of the work, ensure that the subcontractor(s) and subconsultants have Workers' Compensation Insurance for their employees in accordance with Florida's Workers' Compensation law. If using “leased employees” or employees obtained through professional employer organizations (“PEO's”), ensure that such employees are covered by Workers' Compensation insurance through the PEO's or other leasing entities. Ensure that any equipment rental agreements that include operators or other personnel who are employees of independent Contractors, sole proprietorships or partners are covered by insurance required under Florida's Workers' Compensation law.
- c. If the Recipient is a state agency or subdivision of the State of Florida and elects to self-perform the Project, then the Recipient may self-insure. If the Recipient is not a state agency or subdivision of the State of Florida or if the Recipient is a state agency or subdivision of the State of Florida that elects to hire a contractor or consultant to perform the Project, then the Recipient shall, or cause its contractor or consultant to carry Commercial General Liability insurance providing continuous coverage for all work or operations performed under the Agreement. Such insurance shall be no more restrictive than that provided by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of Florida. Cause the Department to be made an Additional Insured as to such insurance. Such coverage shall be on an “occurrence” basis and shall include Products/Completed Operations coverage. The coverage afforded to the Department as an Additional Insured shall be primary as to any other available insurance and shall not be more restrictive than the coverage afforded to the Named Insured. The limits of coverage shall not be less than \$1,000,000 for each occurrence and not less than a \$5,000,000 annual general aggregate, inclusive of amounts provided by an umbrella or excess

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policy. The limits of coverage described herein shall apply fully to the work or operations performed under the Agreement and may not be shared with or diminished by claims unrelated to the Agreement. The policy/ies and coverage described herein may be subject to a deductible. Pay all deductibles as required by the policy. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Recipient is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights or defenses the Department may have.

- d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, you shall, in addition to the insurance coverage required pursuant to 7-13.2 above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than \$6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to paragraph 15.C above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights the Department may have. The Railroad Protective Liability Coverage described above is not required if the Recipient is a government entity that elects to self-perform the Project and utilizes self-insurance.
- e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the policy/ies procured pursuant to paragraph 11.c above. This provision does not apply if the Recipient is a government entity that elects to self-perform the Project and utilizes self-insurance.

15. Miscellaneous:

- a. The Recipient will be solely responsible for compliance with all applicable environmental regulations, for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith. The Recipient will be responsible for securing any applicable permits. The Recipient shall include in all contracts and subcontracts for amounts in excess of \$150,000, a provision requiring compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).
- b. The Department shall not be obligated or liable hereunder to any individual or entity not a party to this Agreement.

STATE OF FLORIDA Department OF TRANSPORTATION
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- c. In no event shall the making by the Department of any payment to the Recipient constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Recipient and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- d. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.
- e. The Recipient and the Department agree that the Recipient, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.
- f. By execution of the Agreement, the Recipient represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.
- g. Nothing in the Agreement shall require the Recipient to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Recipient will at once notify the Department in writing in order that appropriate changes and modifications may be made by the Department and the Recipient to the end that the Recipient may proceed as soon as possible with the Project.
- h. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.
- i. If the Project is procured pursuant to Chapter 255 for construction services and at the time of the competitive solicitation for the Project 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Recipient must comply with the requirements of Section 255.0991, Florida Statutes. The Recipient shall:
 - i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Recipient during the term of the contract; and
 - ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
- j. The Department reserves the right to unilaterally cancel this Agreement for failure by the Recipient to comply with the provisions of Chapter 119, Florida Statutes. The Recipient shall:
 - i. Keep and maintain public records required by the Department to perform the service.
 - ii. Upon request from the Department's custodian of public records, provide the Department with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.

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- iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Recipient does not transfer the records to the Department.
- iv. Upon completion of the Agreement, transfer, at no cost, to the Department, all public records in possession of the Recipient or keep and maintain public records required by the Department to perform the service. If the Recipient transfers all public records to the Department upon completion of the Agreement, the Recipient shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Recipient keeps and maintains public records upon completion of the Agreement, the Recipient shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Department, upon request from the Department's custodian of public records, in a format that is compatible with the information technology systems of the Department.
- v. Failure by the Recipient to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Agreement by the Department.
- vi. IF THE RECIPIENT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE RECIPIENT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: **District Three** (Enter appropriate District Contact)
- k. The Recipient agrees to comply with Section 20.055(5), F.S., and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), F.S.
- l. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Recipient agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

16. Exhibits.

- a. Exhibits A, B, C, D, E, G and H are attached to and incorporated into this Agreement.
- b. ☐ A portion or all of the Project will utilize the Department's right-of-way and therefore Exhibit F, Terms and Conditions of Construction, is attached and incorporated into this Agreement.

c. Exhibit List

Exhibit A: Project Description and Responsibilities
Exhibit B: Schedule of Financial Assistance Schedule
Exhibit C: Engineer's Certification of Compliance
Exhibit D: Audit Requirements for Awards of State Financial Assistance
Exhibit E: Recipient Resolution
*Exhibit F: Terms and Conditions of Construction
Exhibit G: Maintenance Memorandum of Agreement
Exhibit H: Contract Payment Requirements

*Indicates that the Exhibit is only attached and incorporated if applicable box is selected.

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AGREEMENT**

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year written above.

RECIPIENT City of Pensacola

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: _____

Name: Tim Kinsella

Title: City Administrator

By: _____

Name: Tim Smith, P.E.

Title: Director of Transportation Development

Legal Review:

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT A
PROJECT DESCRIPTION AND RESPONSIBILITIES

This exhibit forms an integral part of the Florida Shared-Use Nonmotorized Trail Network Program Agreement between the State of Florida, Department of Transportation and City of Pensacola.

A. Project Description (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): Design of Shared-Use Nonmotorized Trail on Main Street from S Pace Boulevard to S Tarragona Street

B. Project Location (limits, city, county): City of Pensacola, Escambia County _____

X ☒ Illustration/graphic/map of project area is applicable and attached to this Exhibit A.



C. Project Scope (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): The City of Pensacola (The Recipient) will design a new 12-foot-wide trail on Main Street adjacent to the roadway between S “E” Street and Tarragona Street.

D. Deliverable(s): Design of a new 12-foot-wide trail on Main Street between S “E” Street and Tarragona Street.

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

E. Unallowable Costs (including but not limited to): Any change orders not pre-approved by the Department will not be reimbursable. Any funds expended outside of the scope of contract

FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT**EXHIBIT B****SCHEDULE OF FINANCIAL ASSISTANCE****A. Fund Type and Fiscal Year:**

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
453476-2-34-01	GRTR	088849	2025	751000	55.038	Florida Shared-Use Nonmotorized (SUN) Trail Program – Wheels on Road Fund	\$ 441,023
Total Financial Assistance							\$ 441,023

B. Estimate of Project Costs by Grant Phase:

Phases*	State	Local	Federal	Totals	State %	Local%	Federal %
Land Acquisition	\$	\$	\$	\$			
Planning	\$	\$	\$	\$			
Environmental/Design/Construction	\$441,023	\$	\$	\$441,023	100%		
Totals	\$441,023	\$	\$	\$441,023	100%		

*Shifting items between these grant phases requires execution of an Amendment to the Florida Shared-Use Nonmotorized Trail Network Program Grant Agreement.

BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:

I certify that the cost for each line-item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Tanya Branton

D3 SUNTrail Coordinator

Department Grant Manager Name

DocuSigned by:

Tanya Sanders Branton

01/13/2025 | 4:00 PM EST

Signature

Date

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT C

ENGINEER'S CERTIFICATION OF COMPLIANCE

NOTICE OF COMPLETION

FLORIDA SHARED-USE NONMOTORIZED (SUN) TRAIL PROGRAM
GRANT AGREEMENT

Between

THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
and City of Pensacola

PROJECT DESCRIPTION: Design Shared-Use Nonmotorized Trail on Main Street from S Pace Boulevard to S Tarragona Street

FINANCIAL MANAGEMENT ID# 453476-2-34_____

In accordance with the Terms and Conditions of the Shared-Use Nonmotorized (SUN) Trail Program Grant Agreement, the undersigned provides notification that the work authorized by this Agreement is complete as of _____, 20__.

By: _____

Name: _____

Title: _____

ENGINEER'S CERTIFICATION OF COMPLIANCE

In accordance with the Terms and Conditions of the Shared-Use Nonmotorized (SUN) Trail Program Grant Agreement, the undersigned certifies that all work which originally required certification by a Professional Engineer has been completed in compliance with the Project construction plans and specifications. If any deviations have been made from the approved plans, a list of all deviations, along with an explanation that justifies the reason to accept each deviation, will be attached to this Certification. Also, with submittal of this certification, the Agency shall furnish FDOT a set of final design plans certified by the Engineer of Record/CEI.

By: _____, P.E.

SEAL:

Name: _____

Date: _____

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT D

AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE

THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

Awarding Agency: Florida Department of Transportation

State Project Title: FLORIDA SHARED-USE NONMOTORIZED (SUN) TRAIL NETWORK PROGRAM

CSFA Number: 55.038

***Award Amount:** \$ 441,023.00

*The award amount may change with supplemental agreements.

Specific project information for CSFA Number 55.038 is provided at: <https://apps.fldfs.com/fsaa/searchCatalog.aspx>

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:

State Project Compliance Requirements for CSFA Number 55.038 are provided at:
<https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>

STATE OF FLORIDA Department OF TRANSPORTATION
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EXHIBIT E

AGENCY RESOLUTION

PLEASE SEE ATTACHED

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT G

MAINTENANCE MEMORANDUM OF AGREEMENT

N/A Design Agreement
MOA will be provided upon funding for construction phase

FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT**EXHIBIT H****CONTRACT PAYMENT REQUIREMENTS****Florida Department of Financial Services, Reference Guide for State Expenditures
Cost Reimbursement Contracts**

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

Salaries: Timesheets that support the hours worked on the project or activity must be kept. A payroll register, or similar documentation should be maintained. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

Fringe benefits: Fringe benefits should be supported by invoices showing the amount paid on behalf of the employee, e.g., insurance premiums paid. If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown. Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

Travel: Reimbursement for travel must be in accordance with s. 112.061, F.S., which includes submission of the claim on the approved state travel voucher along with supporting receipts and invoices.

Other direct costs: Reimbursement will be made based on paid invoices/receipts and proof of payment processing (cancelled/processed checks and bank statements). If nonexpendable property is purchased using state funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with DMS Rule 60A-1.017, F.A.C., regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in s. 273.02, F.S., for subsequent transfer to the State.

Indirect costs: If the contract stipulates that indirect costs will be paid based on a specified rate, then the calculation should be shown. Indirect costs must be in the approved agreement budget and the entity must be able to demonstrate that the costs are not duplicated elsewhere as direct costs. All indirect cost rates must be evaluated for reasonableness and for allowability and must be allocated consistently.

Contracts between state agencies may submit alternative documentation to substantiate the reimbursement request, which may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address <https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>.







City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-405

City Council

4/24/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-20 - USE OF FUNDING PROVIDED THROUGH THE FLORIDA SHARED-USE NON-MOTORIZED (SUN) TRAIL NETWORK PROGRAM - FLORIDA DEPARTMENT OF TRANSPORTATION - GRANT NO. 453476-2-34-01

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2025-20:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance the City of Pensacola Strategic Plan Goal #5: More Walkable Mixed-Use Districts.

City Council is being asked to adopt a supplemental budget resolution accepting Florida Department of Transportation Grant No. 453476-2-34-01 - Florida Shared-Use Non-Motorized (SUN) Trail Network Program for \$441,023.00. The purpose of this Supplemental Budget Resolution is to provide for the Florida Department of Transportation's financial participation in the design of a Shared Nonmotorized Trail on Main Street from South Pace Boulevard to South Tarragona Street. This shared non-motorized trail is known as the Downtown Pensacola Waterfront Connector Trail. This design effort is for various segments of the City's downtown trail vision to fill in a major gap in the SUN Trail network, from S. Pace Blvd to S Tarragona St. for approximately 1.36 miles. The two segments of this have been identified in the attached project limits map.

This project carries out a key component envisioned in the Urban Core Community Redevelopment Plan and the City Active Transportation Plan. The planned trail will enhance safety by providing a separated facility for bicyclists and pedestrians. The safety element is a

buffer between motorists and non-motorist as well as high-intensity crosswalks at the various intersections. The design will prevent cyclists from having to ride in lanes with high traffic volumes and the increased buffer between modes will reduce impacts from off-road crashes.

PRIOR ACTION:

November 9, 2023 - City Council adopted Resolution No. 2023-88 - Supporting a Grant Application to FDOT for Suntrail Funding Program

FUNDING:

Budget:	\$441,023.00	Funding needed for engineering design, plans production, and permitting
Actual:	\$441,023.00	FDOT-supplied funding for engineering design, plans production, and permitting

FINANCIAL IMPACT:

Adoption of the supplemental budget resolution will appropriate the grant funds in the amount of \$441,023.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

STAFF CONTACT:

Tim Kinsella, City Administrator
Amy Tootle, Director of Public Works & Engineering

ATTACHMENTS:

1. Supplemental Budget Resolution No. 2025-20
2. Supplemental Budget Explanation No. 2025-20
3. 453476-2-Main Street
4. Western Project Limits
5. Eastern Project limits

PRESENTATION: No

**RESOLUTION
NO. 2025-20**

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA

SECTION 1. The following appropriations from funds on hand in the fund accounts stated below, not heretofore appropriated, and transfer from funds on hand in the various accounts and funds stated below, heretofore appropriated, be, and the same are hereby made, directed and approved to-wit:

A. SPECIAL GRANTS FUND

As Reads	State Grants	11,901,275
Amended		
To Read:	State Grants	12,342,298
As Reads	Capital Outlay	56,064,451
Amended		
To Read:	Capital Outlay	56,505,474

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk

THE CITY OF PENSACOLA

APRIL 2025 - SUPPLEMENTAL BUDGET RESOLUTION -FDOT SUN TRAIL PROGRAM - GRANT NO. 453476-2-34-01 - RES NO. 2025-20

FUND	AMOUNT	DESCRIPTION
SPECIAL GRANTS FUND		
Estimated Revenues		
Federal Grants	441,023	Increase estimated revenue for Federal Grants
Total Revenues	<u>441,023</u>	
Appropriations		
Operating Expenses	<u>441,023</u>	Increase appropriation for Operating Expenses
Total Appropriations	<u>441,023</u>	

STATE OF FLORIDA Department OF TRANSPORTATION
**FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM
AGREEMENT**

Financial Project No:453476-2-34-01	Contract No. _____	Vendor No.: <u>F596000406005</u>	CSFA No. and Title: <u>55.038</u> Florida Shared-Use Nonmotorized (SUN) Trail Network Program
--	---------------------------	---	---

THIS FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM GRANT AGREEMENT ("Agreement") is entered into this _____ day of _____, by and between the State of Florida Department of Transportation, ("Department"), and City of Pensacola, ("Recipient"). The Department and the Recipient are sometimes referred to in this Agreement as a "Party" and collectively as the "Parties".

RECITALS

- A. The Department is authorized under Section 339.81, Florida Statutes, to enter into this Agreement.
- B. The Florida Shared-Use Nonmotorized Trail Network Program is included in the Department's work program for the purposes of funding and maintaining projects within the network.
- C. The purpose of this Agreement is to provide for the Department's participation in Design of a Shared-Use Nonmotorized Trail on Main Street from S Pace Boulevard to S Tarragona Street, as further described in **Exhibit "A", Project Description and Responsibilities** ("Project"), state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed. The Project is or shall be a component of the Florida Shared-Use Nonmotorized Trail Network and it would be more practical, expeditious, and economical for the Recipient to perform the Project.
- D. The Recipient by Resolution No. _____ adopted on _____, 20____, a copy of which is attached hereto and made a part hereof as **Exhibit "E", Recipient Resolution**, authorizes the proper officials to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from joint participation on the Project, the Parties agree to the following:

- 1. **Incorporation of Recitals:** The recitals set forth above are true and correct and are incorporated into this Agreement.
- 2. **Term of Agreement:** This Agreement shall commence upon full execution by both Parties ("Effective Date") and continue through 3/1, 2026. If the Recipient does not complete the Project within this time period, this Agreement will expire on the last day of the scheduled completion as provided in this paragraph unless an extension of the time period is requested by the Recipient and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department. Unless terminated earlier, work on the Project shall commence no later than: May 5, 2025 of or **(N/A/ design)**

[Type here]

STATE OF FLORIDA Department OF TRANSPORTATION
**FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM
AGREEMENT**

months of the issuance of the Notice to Proceed for the construction phase of the Project (if the Project involves construction), whichever date is earlier. The Department shall have the option to immediately terminate this Agreement should the Agency fail to meet the above-required dates.

3. **Amendments, Extensions and Assignment:** This Agreement may be amended or extended upon mutual written agreement of the Parties. This Agreement shall not be renewed. This Agreement shall not be assigned, transferred or otherwise encumbered by the Recipient under any circumstances without the prior written consent of the Department.
4. **Termination or Suspension of Project:** The Department may, by written notice to the Recipient, suspend any or all of the Recipient's obligations under this Agreement for the Recipient's failure to comply with applicable law or the terms of this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected. The Department may also terminate this Agreement in whole or in part at any time the interest of the Department requires such termination.
 - a. If the Department terminates the Agreement, the Department shall notify the Recipient of such termination in writing within thirty (30) days of the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.
 - b. The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.
 - c. If the Agreement is terminated before performance is completed, the Recipient shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of the contract price as the amount of work satisfactorily completed is a percentage of the total work called for by this Agreement. All work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Recipient.
 - d. In the event the Recipient fails to perform or honor the requirements and provisions of this Agreement, the Recipient shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.
5. **Project Cost:**
 - a. The estimated total cost of the Project is \$441,023 This amount is based upon the schedule of funding in **Exhibit "B", Schedule of Financial Assistance**. The schedule of funding may be modified by mutual agreement of the Parties.
 - b. The Department agrees to participate in the Project cost up to the maximum amount of **\$441,023** and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Parties agree that the Department's participation may be increased or reduced upon a determination of the actual bid amounts of the Project by the execution of a supplemental agreement. The Recipient agrees to bear all expenses in excess of the amount of the Department's participation and any cost overruns or deficits involved.
6. **Compensation and Payment:**
 - a. The Department shall reimburse the Recipient for costs incurred to perform services described in the Project Description and Responsibilities in **Exhibit "A"**, and as set forth in the Schedule of Financial Assistance in **Exhibit "B"**.

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- b. The Recipient shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project, identified as Financial Project Number **453476-2-34-01**, and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A"**, Project Description and Responsibilities. Any changes to the deliverables shall require written approval in advance by the Department.
- c. Invoices shall be submitted no more often than monthly by the Recipient in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable and verifiable deliverables as established in **Exhibit "A"**. Deliverables must be received and accepted in writing by the Department's Project Manager prior to reimbursements. The Department will identify the Department's Project Manager to the Recipient in writing. Requests for reimbursement by the Recipient shall include an invoice, progress report and supporting documentation for the period of services being billed that are acceptable to the Department. The Recipient shall use the format for the invoice and progress report that is approved by the Department.
- d. Supporting documentation must establish that the deliverables were received and accepted in writing by the Recipient and must also establish that the required minimum level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A"** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit H- Contract Payment Requirements**.
- e. Travel expenses are not compensable under this Agreement.
- f. Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes or the Department's Comptroller under s. 334.044 (29), Florida Statutes. If the Department determines that the performance of the Recipient is unsatisfactory, the Department shall notify the Recipient of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Recipient shall, within five days after notice from the Department, provide the Department with a corrective action plan describing how the Recipient will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract noncompliance. If the corrective action plan is unacceptable to the Department, the Recipient will not be reimbursed to the extent of the non-performance. The Recipient will not be reimbursed until the Recipient resolves the deficiency. If the deficiency is subsequently resolved, the Recipient may bill the Department for the unpaid reimbursement request(s) during the next billing period. If the Recipient is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.
- g. Recipients providing goods and services to the Department should be aware of the following time frames. Inspection and approval of goods or services shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the goods or services are received, inspected, and approved.

If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to **Section 55.03(1), F.S.**, will be due and payable, in addition to the invoice amount, to the Recipient. Interest penalties of less than one (1) dollar will not be enforced unless the Recipient requests payment. Invoices that have to be returned to a Recipient because of

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Recipient preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agencies who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

- h. The Recipient shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these documents and records shall be furnished to the Department upon request. Records of costs incurred include the Recipient's general accounting records and the project records, together with supporting documents and records, of the contractor and all subcontractors performing work on the project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.
- i. Upon request, the Recipient agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.
- j. If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement which it has with the Recipient owing such amount if, upon demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.
- k. The Recipient must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.
- l. The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department's project manager must be received prior to costs being incurred by the Recipient. See **Exhibit "B"** for funding levels by fiscal year. Project costs utilizing these fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Recipient, in writing, when funds are available.
- m. In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

"The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or

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agreed to be paid for in succeeding fiscal years, and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year."

- n. Any Project funds made available by the Department pursuant to this Agreement which are determined by the Department to have been expended by the Recipient in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Recipient files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.
- o. In determining the amount of the payment, the Department will exclude all Project costs incurred by the Recipient prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs which are not provided for in the latest approved schedule of funding in **Exhibit "B"** for the Project, costs agreed to be borne by the Recipient or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangements which have not been approved in writing by the Department.

7. General Requirements:

The Recipient shall complete the Project with all practical dispatch in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement and all applicable laws.

- a. In the event the Recipient proceeds with any phase of the Project utilizing its own forces, the Recipient will only be reimbursed for direct costs (this excludes general overhead).
- b. The Recipient shall certify to Department that the Recipient's design consultant and/or construction contractor has secured the necessary permits. If the Recipient fails to provide such certification to Department between Phase IV and Final Plans, the Department may, at its discretion, terminate this Agreement.
- c. The Recipient shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained.
- d. In the event the cost of the Project is greater than \$250,000.00 and the Project involves construction on the Department's right-of-way, the Recipient shall provide the Department with written notification of either its intent to:
 - i. Award the construction of the Project to a Department prequalified contractor which is the lowest and best bidder in accordance with applicable state and federal statutes, rules, and regulations. The Recipient shall then submit a copy of the bid tally sheet(s) and awarded bid contract, or
 - ii. Construct the Project utilizing existing Recipient employees, if the Recipient can complete said Project within the time frame set forth in this Agreement.
- e. The Recipient shall be responsible for assuring that the Project complies with all applicable Federal, State and Local laws, rules, regulations, guidelines and standards.
- f. The Recipient shall have the sole responsibility for resolving claims and requests for additional work for the Project. The Recipient will make best efforts to obtain the Department's input in its decisions.

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- g. ☐ If this box is selected, then the following provision is incorporated into this Agreement:

A portion of the Project will be located on the Department's right-of-way and the Recipient shall be responsible for ensuring that the construction work under this Agreement is performed in accordance with the approved construction documents, and that it will meet all applicable Department standards and that the work is performed in accord with **Exhibit "F", Terms and Conditions of Construction**, attached to and incorporated into this Agreement.

8. Contracts of the Recipient

- a. Except as otherwise authorized in writing by the Department, the Recipient shall not execute any contract or obligate itself in any manner requiring the disbursement of Department funds, including consultant or construction contracts or amendments thereto, with any third party with respect to the Project without the written approval of the Department. Failure to obtain such approval shall be sufficient cause for nonpayment by the Department. The Department specifically reserves the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of such consultant or contractor.
- b. It is understood and agreed by the parties to this Agreement that participation by the Department in a project with the Recipient, where said project involves a consultant contract for engineering, architecture or surveying services, is contingent on the Recipient's complying in full with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act. In all cases, the Recipient shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act.

9. Design and Construction Standards and Required Approvals: In the event the Project includes construction the following provisions are incorporated into this Agreement:

- a. The Recipient shall hire a qualified contractor using the Recipient's normal bid procedures to perform the construction work for the Project. The Recipient must certify that the installation of the Project is completed by a Contractor prequalified by the Department as required by Section 2 of the Standard Specifications for Road and Bridge Construction (2016), as amended, unless otherwise approved by the Department in writing or exhibit past project experience in the last five years that are comparable in scale, composition, and overall quality of the site identified within the scope of services of this Project.
- b. Construction Engineering Inspection (CEI) services will be provided by the Recipient by hiring a Department prequalified consultant firm including one individual that has completed the Advanced Maintenance of Traffic Level Training, unless otherwise approved by the Department in writing. The CEI staff shall be present on the Project at all times that the contractor is working. Administration of the CEI staff shall be under the responsible charge of a State of Florida Licensed Professional Engineer who shall provide the certification that all design and construction for the Project meets the minimum construction standards established by Department.. The Department shall approve all CEI personnel. The CEI firm shall not be the same firm as that of the Engineer of Record for the Project. The Department shall have the right, but not the obligation, to perform independent assurance testing during the course of construction of the Project.
- c. The Recipient understands that it is responsible for the preparation of all design plans for the Project. The Recipient shall hire a qualified consultant for the design phase of the Project using the Recipient's normal procurement procedures to perform the design services for the Project.
- d. Execution of this Agreement by both Parties shall be deemed a Notice to Proceed to the Recipient for the design phase or other non-construction phases of the Project. If the Project

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involves a construction phase, the Recipient shall not begin the construction phase of the Project until the Department issues a Notice to Proceed for the construction phase. Prior to commencing the construction work described in this Agreement, the Recipient shall request a Notice to Proceed from the Department's Construction Project Manager, N/A, at () - or from an appointed designee. **Any work performed prior to the execution of this Agreement is not subject to reimbursement.**

- e. The Recipient will provide one (1) copy of the final design plans and specifications and final bid documents to the Department's Construction Project Manager prior to commencing construction of the Project.
- f. The Recipient shall require the Recipient's contractor to post a payment and performance bond in accordance with Section 337.18(1), Florida Statutes.
- g. The Recipient shall be responsible to ensure that the construction work under this Agreement is performed in accordance with the approved construction documents, and that it will meet all applicable Recipient and Department standards.
- h. Upon completion of the work authorized by this Agreement, the Recipient shall notify the Department in writing of the completion of construction of the Project; and for all design work that originally required certification by a Professional Engineer, this notification shall contain an Engineers Certification of Compliance, signed and sealed by a Professional Engineer, the form of which is attached hereto and incorporated herein as **Exhibit "C", Engineers Certification of Completion**. The certification shall state that work has been completed in compliance with the Project construction plans and specifications. If any deviations are found from the approved plans, the certification shall include a list of all deviations along with an explanation that justifies the reason to accept each deviation.

10. Maintenance Obligations: The following provisions are incorporated into this Agreement:

- a. The Recipient has agreed by resolution to execute a Maintenance Memorandum of Agreement ("MMOA") in which Recipient agrees to maintain the entire Project as depicted in the construction plans and specifications for the useful life of the Project, and such resolution is attached and incorporated into this Agreement as **Exhibit "E"**. The Recipient shall execute the MMOA concurrently with execution of this Agreement. The MMOA is attached and incorporated into this Agreement as **Exhibit "G"**. The terms of the MMOA, **Exhibit "G"**, shall survive the termination of this Agreement. The Parties acknowledge and agree that the design plans for the Project may not yet be finalized and are subject to review by the Department. Upon completion of the Project, the Parties shall amend the MMOA to attach the latest version of the construction plans for the Project to the MMOA in order to show the extent of the Project to be maintained.

11. State Single Audit: The administration of resources awarded through the Department to the Recipient by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any state agency inspector general, the Auditor General, or any other state official. The Recipient shall comply with all audit and audit reporting requirements as specified below.

- a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the Recipient's use of state financial assistance may include but not be limited to on-site visits by Department staff and/or other procedures including, reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the Department by this

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Agreement. By entering into this Agreement, the Recipient agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, the Department of Financial Services (DFS) or the Auditor General.

- b.** The Recipient, a nonstate entity as defined by Section 215.97(2), Florida Statutes, as a recipient of state financial assistance awarded by the Department through this Agreement is subject to the following requirements:

 - i.** In the event the Recipient meets the audit threshold requirements established by Section 215.97, Florida Statutes, the Recipient must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit “D”** to this Agreement indicates state financial assistance awarded through the Department by this Agreement needed by the Recipient to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department by this Agreement, other state agencies and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
 - ii.** In connection with the audit requirements, the Recipient shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
 - iii.** In the event the Recipient does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the Recipient is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the Recipient must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Recipient's audit period for each applicable audit year. In the event the Recipient does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the Recipient's resources (i.e., the cost of such an audit must be paid from the Recipient's resources obtained from other than State entities).
 - iv.** In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this Agreement shall be submitted to:

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Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, FL 32399-0405
Email: FDOTSingleAudit@dot.state.fl.us

And

State of Florida Auditor General
Local Government Audits/342
111 West Madison Street, Room 401
Tallahassee, FL 32399-1450
Email: flaudgen_localgovt@aud.state.fl.us

- v. Any copies of financial reporting packages, reports or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
 - vi. The Recipient, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Recipient in correspondence accompanying the reporting package.
 - vii. Upon receipt, and within six months, the Department will review the Recipient's financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Recipient fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.
 - viii. As a condition of receiving state financial assistance, the Recipient shall permit the Department, or its designee, DFS or the Auditor General access to the Recipient's records including financial statements, the independent auditor's working papers and project records as necessary. Records related to unresolved audit findings, appeals or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The Recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department, or its designee, DFS or the Auditor General access to such records upon request. The Recipient shall ensure that the audit working papers are made available to the Department, or its designee, DFS or the Auditor General upon request for a period of five years from the date the audit report is issued unless extended in writing by the Department.

12. Notices and Approvals:

- a. All notices (except invoices) pertaining to this Agreement are in effect upon receipt by either Party, shall be in writing, and shall be transmitted either by personal hand delivery; United States Post Office, return receipt requested; or, overnight express mail delivery. E-mail and facsimile may be used if the notice is also transmitted by one of the preceding forms of delivery. The addresses and the Agreement Administrators set forth below for the respective Parties shall be the places where notices shall be sent, unless prior written notice of change of address is given.

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STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

**TANYA BRANTON, SUN TRAIL COORDINATOR
1074 HIGHWAY 90 EAST
CHIPLEY, FLORIDA 32428
(850) 330-1550
TANYA.BRANTON@DOT.STATE.FL.US**

RECIPIENT:

**CITY OF PENSACOLA
222 W MAIN STREET
PENSACOLA, FL 32502
(850) 324-3739
DFORTE@CITYOFPENSACOLA.COM**

- b.** All approvals referenced in this Agreement must be obtained in writing from the Parties' respective Administrators or their designees.

13. Restrictions, Prohibitions, Controls and Labor Provisions:

- a.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- b.** In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity; and may not transact business with any public entity.
- c.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied or have further been determined by the Department to be a non-responsible contractor may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Recipient.
- d.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.
- e.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.

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- f. The Recipient shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.

14. Indemnification and Insurance:

- a. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Recipient guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Recipient or any subcontractor, in connection with this Agreement. Additionally, the Recipient agrees to include the following indemnification in all contracts with contractors/subcontractors and consultants/subconsultants who perform work in connection with this Agreement:

“To the fullest extent permitted by law, the Recipient's contractor/consultant shall indemnify and hold harmless the Recipient and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

This indemnification shall survive the termination of this Agreement. Nothing contained in this paragraph is intended to nor shall it constitute a waiver of the State of Florida and the Recipient's sovereign immunity.”

- b. The Recipient shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If subletting any of the work, ensure that the subcontractor(s) and subconsultants have Workers' Compensation Insurance for their employees in accordance with Florida's Workers' Compensation law. If using “leased employees” or employees obtained through professional employer organizations (“PEO's”), ensure that such employees are covered by Workers' Compensation insurance through the PEO's or other leasing entities. Ensure that any equipment rental agreements that include operators or other personnel who are employees of independent Contractors, sole proprietorships or partners are covered by insurance required under Florida's Workers' Compensation law.
- c. If the Recipient is a state agency or subdivision of the State of Florida and elects to self-perform the Project, then the Recipient may self-insure. If the Recipient is not a state agency or subdivision of the State of Florida or if the Recipient is a state agency or subdivision of the State of Florida that elects to hire a contractor or consultant to perform the Project, then the Recipient shall, or cause its contractor or consultant to carry Commercial General Liability insurance providing continuous coverage for all work or operations performed under the Agreement. Such insurance shall be no more restrictive than that provided by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of Florida. Cause the Department to be made an Additional Insured as to such insurance. Such coverage shall be on an “occurrence” basis and shall include Products/Completed Operations coverage. The coverage afforded to the Department as an Additional Insured shall be primary as to any other available insurance and shall not be more restrictive than the coverage afforded to the Named Insured. The limits of coverage shall not be less than \$1,000,000 for each occurrence and not less than a \$5,000,000 annual general aggregate, inclusive of amounts provided by an umbrella or excess

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policy. The limits of coverage described herein shall apply fully to the work or operations performed under the Agreement and may not be shared with or diminished by claims unrelated to the Agreement. The policy/ies and coverage described herein may be subject to a deductible. Pay all deductibles as required by the policy. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Recipient is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights or defenses the Department may have.

- d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, you shall, in addition to the insurance coverage required pursuant to 7-13.2 above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than \$6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to paragraph 15.C above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights the Department may have. The Railroad Protective Liability Coverage described above is not required if the Recipient is a government entity that elects to self-perform the Project and utilizes self-insurance.
- e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the policy/ies procured pursuant to paragraph 11.c above. This provision does not apply if the Recipient is a government entity that elects to self-perform the Project and utilizes self-insurance.

15. Miscellaneous:

- a. The Recipient will be solely responsible for compliance with all applicable environmental regulations, for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith. The Recipient will be responsible for securing any applicable permits. The Recipient shall include in all contracts and subcontracts for amounts in excess of \$150,000, a provision requiring compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).
- b. The Department shall not be obligated or liable hereunder to any individual or entity not a party to this Agreement.

STATE OF FLORIDA Department OF TRANSPORTATION
**FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM
AGREEMENT**

- c. In no event shall the making by the Department of any payment to the Recipient constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Recipient and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- d. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.
- e. The Recipient and the Department agree that the Recipient, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.
- f. By execution of the Agreement, the Recipient represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.
- g. Nothing in the Agreement shall require the Recipient to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Recipient will at once notify the Department in writing in order that appropriate changes and modifications may be made by the Department and the Recipient to the end that the Recipient may proceed as soon as possible with the Project.
- h. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.
- i. If the Project is procured pursuant to Chapter 255 for construction services and at the time of the competitive solicitation for the Project 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Recipient must comply with the requirements of Section 255.0991, Florida Statutes. The Recipient shall:
 - i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Recipient during the term of the contract; and
 - ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
- j. The Department reserves the right to unilaterally cancel this Agreement for failure by the Recipient to comply with the provisions of Chapter 119, Florida Statutes. The Recipient shall:
 - i. Keep and maintain public records required by the Department to perform the service.
 - ii. Upon request from the Department's custodian of public records, provide the Department with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.

STATE OF FLORIDA Department OF TRANSPORTATION
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- iii. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Recipient does not transfer the records to the Department.
- iv. Upon completion of the Agreement, transfer, at no cost, to the Department, all public records in possession of the Recipient or keep and maintain public records required by the Department to perform the service. If the Recipient transfers all public records to the Department upon completion of the Agreement, the Recipient shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Recipient keeps and maintains public records upon completion of the Agreement, the Recipient shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Department, upon request from the Department's custodian of public records, in a format that is compatible with the information technology systems of the Department.
- v. Failure by the Recipient to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Agreement by the Department.
- vi. IF THE RECIPIENT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE RECIPIENT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: **District Three** (Enter appropriate District Contact)
- k. The Recipient agrees to comply with Section 20.055(5), F.S., and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), F.S.
- l. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Recipient agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

16. Exhibits.

- a. Exhibits A, B, C, D, E, G and H are attached to and incorporated into this Agreement.
- b. ☐ A portion or all of the Project will utilize the Department's right-of-way and therefore Exhibit F, Terms and Conditions of Construction, is attached and incorporated into this Agreement.
- c. **Exhibit List**
 - Exhibit A: Project Description and Responsibilities
 - Exhibit B: Schedule of Financial Assistance Schedule
 - Exhibit C: Engineer's Certification of Compliance
 - Exhibit D: Audit Requirements for Awards of State Financial Assistance
 - Exhibit E: Recipient Resolution
 - *Exhibit F: Terms and Conditions of Construction
 - Exhibit G: Maintenance Memorandum of Agreement
 - Exhibit H: Contract Payment Requirements

*Indicates that the Exhibit is only attached and incorporated if applicable box is selected.

STATE OF FLORIDA Department OF TRANSPORTATION
**FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM
AGREEMENT**

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year written above.

RECIPIENT City of Pensacola

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: _____

Name: Tim Kinsella

Title: City Administrator

By: _____

Name: Tim Smith, P.E.

Title: Director of Transportation Development

Legal Review:

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT A
PROJECT DESCRIPTION AND RESPONSIBILITIES

This exhibit forms an integral part of the Florida Shared-Use Nonmotorized Trail Network Program Agreement between the State of Florida, Department of Transportation and City of Pensacola.

A. Project Description (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): Design of Shared-Use Nonmotorized Trail on Main Street from S Pace Boulevard to S Tarragona Street

B. Project Location (limits, city, county): City of Pensacola, Escambia County _____

X ☒ Illustration/graphic/map of project area is applicable and attached to this Exhibit A.



C. Project Scope (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): The City of Pensacola (The Recipient) will design a new 12-foot-wide trail on Main Street adjacent to the roadway between S “E” Street and Tarragona Street.

D. Deliverable(s): Design of a new 12-foot-wide trail on Main Street between S “E” Street and Tarragona Street.

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

E. Unallowable Costs (including but not limited to): Any change orders not pre-approved by the Department will not be reimbursable. Any funds expended outside of the scope of contract

FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT**EXHIBIT B****SCHEDULE OF FINANCIAL ASSISTANCE****A. Fund Type and Fiscal Year:**

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
453476-2-34-01	GRTR	088849	2025	751000	55.038	Florida Shared-Use Nonmotorized (SUN) Trail Program – Wheels on Road Fund	\$ 441,023
Total Financial Assistance							\$ 441,023

B. Estimate of Project Costs by Grant Phase:

Phases*	State	Local	Federal	Totals	State %	Local%	Federal %
Land Acquisition	\$	\$	\$	\$			
Planning	\$	\$	\$	\$			
Environmental/Design/Construction	\$441,023	\$	\$	\$441,023	100%		
Totals	\$441,023	\$	\$	\$441,023	100%		

*Shifting items between these grant phases requires execution of an Amendment to the Florida Shared-Use Nonmotorized Trail Network Program Grant Agreement.

BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:

I certify that the cost for each line-item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Tanya Branton

D3 SUNTrail Coordinator

Department Grant Manager Name

Digitally signed by:

Tanya Sanders Branton

01/13/2025 | 4:00 PM EST

Signature

Date

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT C

ENGINEER'S CERTIFICATION OF COMPLIANCE

NOTICE OF COMPLETION

FLORIDA SHARED-USE NONMOTORIZED (SUN) TRAIL PROGRAM
GRANT AGREEMENT
Between
THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
and City of Pensacola

PROJECT DESCRIPTION: Design Shared-Use Nonmotorized Trail on Main Street from S Pace Boulevard to S Tarragona Street

FINANCIAL MANAGEMENT ID# 453476-2-34_____

In accordance with the Terms and Conditions of the Shared-Use Nonmotorized (SUN) Trail Program Grant Agreement, the undersigned provides notification that the work authorized by this Agreement is complete as of _____, 20__.

By: _____

Name: _____

Title: _____

ENGINEER'S CERTIFICATION OF COMPLIANCE

In accordance with the Terms and Conditions of the Shared-Use Nonmotorized (SUN) Trail Program Grant Agreement, the undersigned certifies that all work which originally required certification by a Professional Engineer has been completed in compliance with the Project construction plans and specifications. If any deviations have been made from the approved plans, a list of all deviations, along with an explanation that justifies the reason to accept each deviation, will be attached to this Certification. Also, with submittal of this certification, the Agency shall furnish FDOT a set of final design plans certified by the Engineer of Record/CEI.

By: _____, P.E.

SEAL:

Name: _____

Date: _____

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT D

AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE

THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

Awarding Agency: Florida Department of Transportation

State Project Title: FLORIDA SHARED-USE NONMOTORIZED (SUN) TRAIL NETWORK PROGRAM

CSFA Number: 55.038

***Award Amount:** \$ 441,023.00

*The award amount may change with supplemental agreements.

Specific project information for CSFA Number 55.038 is provided at: <https://apps.fldfs.com/fsaa/searchCatalog.aspx>

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:

State Project Compliance Requirements for CSFA Number 55.038 are provided at:
<https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT E

AGENCY RESOLUTION

PLEASE SEE ATTACHED

STATE OF FLORIDA Department OF TRANSPORTATION
FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT

EXHIBIT G

MAINTENANCE MEMORANDUM OF AGREEMENT

N/A Design Agreement
MOA will be provided upon funding for construction phase

FLORIDA SHARED-USE NONMOTORIZED TRAIL NETWORK PROGRAM AGREEMENT**EXHIBIT H****CONTRACT PAYMENT REQUIREMENTS****Florida Department of Financial Services, Reference Guide for State Expenditures
Cost Reimbursement Contracts**

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

Salaries: Timesheets that support the hours worked on the project or activity must be kept. A payroll register, or similar documentation should be maintained. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

Fringe benefits: Fringe benefits should be supported by invoices showing the amount paid on behalf of the employee, e.g., insurance premiums paid. If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown. Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

Travel: Reimbursement for travel must be in accordance with s. 112.061, F.S., which includes submission of the claim on the approved state travel voucher along with supporting receipts and invoices.

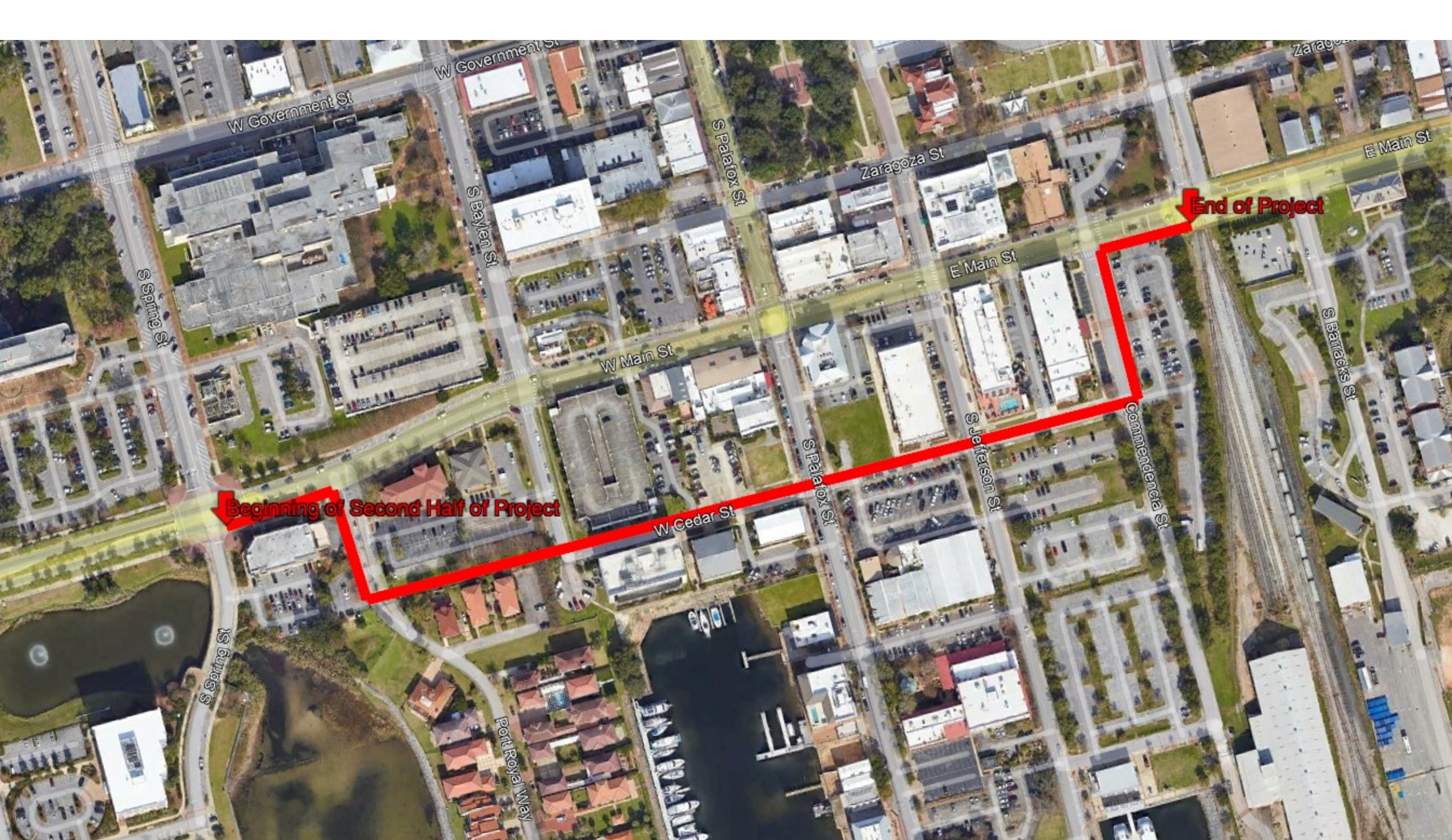
Other direct costs: Reimbursement will be made based on paid invoices/receipts and proof of payment processing (cancelled/processed checks and bank statements). If nonexpendable property is purchased using state funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with DMS Rule 60A-1.017, F.A.C., regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in s. 273.02, F.S., for subsequent transfer to the State.

Indirect costs: If the contract stipulates that indirect costs will be paid based on a specified rate, then the calculation should be shown. Indirect costs must be in the approved agreement budget and the entity must be able to demonstrate that the costs are not duplicated elsewhere as direct costs. All indirect cost rates must be evaluated for reasonableness and for allowability and must be allocated consistently.

Contracts between state agencies may submit alternative documentation to substantiate the reimbursement request, which may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address <https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>.







City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-425

City Council

4/24/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

RESOLUTION NO. 2025-21 - RESOLUTION AMENDING AND RESTATING THE AIRPORT MASTER BOND RESOLUTION

RECOMMENDATION:

That City Council adopt Resolution No. 2025-21:

A RESOLUTION AMENDING, COMPILING AND RESTATING RESOLUTION NO. 59-88 OF THE CITY OF PENSACOLA, FLORIDA, WHICH AUTHORIZED THE ISSUANCE OF THE ISSUER'S AIRPORT REVENUE BONDS FOR THE PURPOSE OF FINANCING AND REFINANCING CAPITAL IMPROVEMENTS TO THE AIRPORT; AND PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action does not directly advance a goal of the City of Pensacola Strategic Plan but is a necessary function of municipal government.

The City proposes to issue approximately \$100,000,000 Airport System Revenue Bonds, Series 2025 (the "Series 2025 Bonds") to finance the modernization and expansion of the terminal building at Pensacola International Airport ("PNS"). The outstanding obligations which financed and/or refinanced PNS improvements were issued pursuant to Resolution No. 59-88, adopted by the City on September 22, 1988 (the "Original Resolution"), and supplemented by Series resolutions in 2015, 2017 and 2018. The outstanding obligations and bondholders consist of:

Airport Refunding Revenue Note, Series 2015 (Regions Capital Advantage, Inc.)
Airport Refunding Revenue Note, Series 2017 (PNC Bank, National Association, as successor to Compass Mortgage Corporation)
Airport Refunding Revenue Note, Series 2018 (PNC Bank, National Association, as successor to Compass Mortgage Corporation)

Because there are only two bondholders, PNS and the City have an opportunity to modernize and amend the Original Resolution with bondholder consent. The proposed amendments to the Original Resolution are provided in the attached resolution (the "Amended and Restated Resolution"). Staff recommends that the City Council approve the amendments in the Amended and Stated Resolution.

Staff anticipates requesting approval to adopt documents related to the Series 2025 Bonds at a later date in calendar year 2025.

PRIOR ACTION:

September 22, 1988 - Council adopted Resolution No. 59-88 amending and restating Resolution 51-88 authorizing the issuance of airport revenue bonds.

July 17, 2008 - City Council adopted Resolution 17-08 amending the 1988 Bond Master Resolution

August 23, 1990 - Council adopted Resolution No. 41-90 amending 1988 Bond Master Resolution

FUNDING:

N/A

FINANCIAL IMPACT:

In association with a financing of approximately \$100 million of Series 2025 Bonds, the City will pay costs of issuance, underwriting fees, and interest over an approximately 30-year period, in an amount to be determined at the pricing of the Series 2025 Bonds, which is anticipated to occur at a later date in calendar year 2025.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

4/1/2025

STAFF CONTACT:

Tim Kinsella, City Administrator

Amy Lovoy, Finance Director

Matt Coughlin, Airport Director

ATTACHMENTS:

1. Airport Bond Resolution 2025-21
2. RLCP Airport Resolution 2025-21 Redline

PRESENTATION: No

AIRPORT REVENUE BOND RESOLUTION

PENSACOLA INTERNATIONAL AIRPORT

ADOPTED _____, 2025

BY THE CITY OF PENSACOLA, FLORIDA

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RESOLUTION NO. 2025-21

A RESOLUTION AMENDING, COMPILING AND RESTATING RESOLUTION NO. 59-88 OF THE CITY OF PENSACOLA, FLORIDA, WHICH AUTHORIZED THE ISSUANCE OF THE ISSUER'S AIRPORT REVENUE BONDS FOR THE PURPOSE OF FINANCING AND REFINANCING CAPITAL IMPROVEMENTS TO THE AIRPORT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "City Council") of the City of Pensacola, Florida (the "Issuer") adopted Resolution No. 59-88 on September 22, 1988 (the "1988 Resolution"), which 1988 Resolution amended and restated Resolution No. 51-88 authorizing the issuance of its airport revenue bonds therein described in one or more series to pay the cost of capital improvements to the airport of the Issuer and to pay the cost of refunding certain outstanding obligations; and

WHEREAS, the Issuer subsequently amended the 1988 Resolution through the adoption of Resolution No. 41-90 adopted by the City Council on August 23, 1990 and Resolution No. 17-08 adopted by the City Council on July 17, 2008 (collectively and together with the 1988 Resolution, the "Resolution"); and

WHEREAS, the City Council desires to amend, compile and restate the Resolution in its entirety to update and revise the terms and conditions upon which airport revenue bonds of the Issuer may be issued;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, AS FOLLOWS:

Resolution Amended, Compiled and Restated. The Resolution is hereby amended, compiled and restated in its entirety to read as follows:

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING FOR THE ISSUANCE OF AIRPORT REVENUE BONDS TO FINANCE THE COST OF CAPITAL IMPROVEMENTS TO THE PENSACOLA INTERNATIONAL AIRPORT AND REFUNDING AIRPORT REVENUE BONDS; PROVIDING FOR THE PAYMENT THEREOF; PROVIDING FOR THE RIGHTS OF THE BONDHOLDERS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of Chapters 166 and 332, Florida Statutes, as amended, the Charter of the Issuer effective January 1, 2010 and other applicable provisions of law (the "Act").

SECTION 2. DEFINITIONS. All terms defined herein shall have the following meanings unless the text otherwise expressly requires or unless otherwise provided with respect to a particular series of Bonds by supplemental resolution. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the interest accrual date specified in the Resolution of the Issuer authorizing the issuance of such Capital Appreciation Bond next preceding the date of computation or the date of computation if it is such an interest accrual date specified in the Resolution of the Issuer authorizing the issuance of such Capital Appreciation Bond, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an interest accrual date specified in the Resolution of the Issuer authorizing the issuance of such Capital Appreciation Bond, a portion of the difference between the Accreted Value as of the immediately preceding interest accrual date specified in the Resolution of the Issuer authorizing the issuance of such Capital Appreciation Bond and the Accreted Value as of the immediately succeeding interest accrual date specified in the Resolution of the Issuer authorizing the issuance of such Capital Appreciation Bond, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a 360-day year.

"Act" has the meaning ascribed thereto in Section 1 hereof.

"Additional Parity Bonds" shall mean additional Bonds, including bonds, notes or other debt obligations issued by the Issuer in compliance with the terms, conditions and limitations contained herein which rank on a parity with the Bonds then outstanding as to lien upon and security of payment from the Pledged Funds.

"Airport" shall mean the Pensacola International Airport and any additions and improvements thereto.

"Airport Consultant" shall mean an independent airport consulting firm, as from time to time appointed and compensated by the Issuer: (a) who has a wide and favorable reputation for special skill and knowledge in methods of the development, operation, and

management of airports and airport facilities, and (b) who is not in the regular employ or control of the Issuer.

“Airport Director” means the chief administrative officer of the Airport.

“Airport Facilities” shall mean those certain capital facilities comprising the Pensacola International Airport, including without limitation, runways, tarmacs, taxiways, ramps, aprons, hangars, warehouses, terminal buildings, baggage handling facilities, cargo handling facilities, storage facilities, aircraft and automotive service facilities, administrative buildings, roads and service roads, parking lots and parking facilities, rolling stock, and all property, structures, facilities, rights, easements and franchises relating thereto and deemed necessary or convenient for the acquisition, construction, purchase or operation of the Airport as constituted today or as may be expanded in the future. Airport Facilities shall not include Special Purpose Facilities financed with gifts, grants, or awards for a specific special purpose facility or with the proceeds of Special Purpose Bonds issued pursuant to Section 18 hereof, except to the extent expressly therein provided.

“Airport Revenues” or **“Revenues”** shall mean (a) all rentals, fees, charges, and concession revenues received by or on behalf of the Issuer in its proprietary capacity as operator of the Airport, in connection with the operation, improvement, and enhancement of the Airport or any part thereof, derived from its ownership and operation of the Airport Facilities, and all parts thereof; (b) all income, interest, or revenues resulting from the investment of any Airport funds by the Issuer not subject to rebate in accordance with the Code; and (c) all unrestricted gifts, grants, reimbursements, or payments received by or on behalf of the Issuer in its proprietary capacity as operator of the Airport from governmental units, or public agencies, or any other source including but not limited to amounts, if any, transferred from the Capital Fund to the Revenue Fund, that are not restricted in application to a specific project or special purpose; all determined in accordance with generally accepted accounting principles. Airport Revenues shall not include (a) any revenues or income from any Special Purpose Facility to the extent that such revenues are either (i) pledged to pay principal, interest, or other charges on Special Purpose Bonds or other obligations issued in anticipation thereof, or (ii) used to pay Operation and Maintenance Expenses of such Special Purpose Facilities, or (iii) for the use of the Issuer in reimbursement of costs incurred by the Issuer in the construction or provision of Special Purpose Facilities, (b) Customer Facility Charges, (c) Passenger Facility Charges, (d) cash subsidy or similar payments made by the U.S. Treasury or other federal or state governmental entity to or on behalf of the Issuer for payments with respect to Bonds, or (e) Released Revenues.

“Amortization Installment” with respect to any Term Bonds of a series, shall mean an amount or amounts so designated which is or are established for the Term Bonds of such series, provided that the aggregate principal amount of such installments for each maturity of Term Bonds of such series shall equal the aggregate principal amount of such maturity of Term Bonds of such series delivered on original issuance.

“Annual Budget” means the annual budget of Pensacola International Airport.

“Annual Debt Service Requirement” as of any date of calculation and with respect to any twelve (12) month period, as applied to the Bonds of any series, shall mean the sum of:

(1) The amount required to pay the interest becoming due on the Bonds of such series during such period except to the extent that such interest shall have been provided by payments into the Bond Fund out of bond proceeds;

(2) The amount required to pay the principal of Serial Bonds of such series maturing in such period; and

(3) The Amortization Installments for the Term Bonds of such series becoming due in such period. In computing the Annual Debt Service Requirement for any period for Bonds of any series, the Issuer shall assume that an amount of the Term Bonds of such series equal to the Amortization Installments for the Term Bonds of such series for such period will be retired by purchase or redemption in such period or that payment of such amount of Term Bonds at maturity will be fully provided for in such period. When determining the amount of principal of and interest on the Bonds which mature in any year, for purposes of this Resolution or the issuance of any Additional Parity Bonds, the stated maturity date of Term Bonds shall be disregarded, and the Amortization Installments, if any, applicable to Term Bonds in such year shall be deemed to mature in such year.

(4) If any of the Bonds bear interest at a variable rate, then for purposes of calculating Annual Debt Service Requirement, except for historical periods or other period for which the actual rate or rates are determinable, such Bonds shall be deemed to bear interest at a Certified Interest Rate.

(5) Tender provisions of Put Bonds shall not be considered in the calculation of Annual Debt Service Requirement unless a Registered Owner has exercised an optional tender right or a mandatory tender has occurred and the subject Bonds have not been purchased or remarketed.

(6) In the case of Balloon Bonds, the stated maturity of the Balloon Bonds may be disregarded and in lieu thereof the Balloon Bonds shall be deemed, for purposes of the computation of principal and interest requirements, as (i) debt securities having a comparable Federal tax status as such Balloon Bonds, (ii) hypothetically maturing in annual installments resulting in substantially equal annual payments of principal and interest over a period, designated by the Finance Director, of not more than 30 years from the date of issuance thereof, and (iii) bearing interest at a fixed rate per annum equal to The Bond Buyer 25 Revenue Bond Index published immediately preceding the first day of the month in which the calculation is made (or, if such index is no longer published, another nationally recognized reasonably comparable index of municipal bond interest rates or yields designated by the Issuer).

(7) In the case of Capital Appreciation Bonds and Capital Appreciation and Income Bonds the Accreted Value and Appreciated Value, respectively, maturing in the period shall be viewed as the amount required to pay principal and interest on such Bonds.

(8) With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be equal to the interest on such Bonds, plus Hedge Payments, less Hedge Receipts coming due during such period.

(9) If all or any portion of the interest or principal due or coming due on Bonds is paid or expected to be paid from cash subsidy payments or other similar payments made or expected to be made by the U.S. Treasury or other federal or state governmental entity to or on behalf of the Issuer, the amount of principal or interest so paid or expected to be paid shall not be included in calculating Annual Debt Service Requirement.

(10) The Annual Debt Service Requirement for any Bond Year shall be adjusted to reflect any amounts on deposit in the Bond Fund (including any amounts transferred from the Capital Fund) in excess of current requirements (including deficiencies in prior requirements) and available for the payment of the Annual Debt Service Requirement in such Bond Year.

“Appreciated Value” shall mean, (i) as of any date of computation with respect to any Capital Appreciation and Income Bond up to the Interest Commencement Date set forth in the resolution of the Issuer authorizing the issuance of such Capital Appreciation and Income Bond, an amount equal to the principal amount thereof (the principal amount at its original issuance) plus the interest accrued on such Capital Appreciation and Income Bond from the date of original issuance to the interest accrual date specified in the resolution of the Issuer authorizing the issuance of such Capital Appreciation and Income Bond, such interest to accrue at a rate per annum not exceeding the maximum legal rates compounded periodically on the interest accrual dates specified in the resolution of the Issuer authorizing the issuance of such Capital Appreciation and Income Bond, plus, with respect to matters related to the payment upon redemption or acceleration of such Capital Appreciation and Income Bond, if a date of computation shall not be an interest accrual date specified in the resolution of the Issuer authorizing the issuance of such Capital Appreciation and Income Bond, a portion of the difference between the Appreciated Value as of the immediately preceding interest accrual date specified in the resolution of the Issuer authorizing the issuance of such Capital Appreciation and Income Bond (or the date of original issuance if the date of computation is prior to the first interest accrual date specified in the resolution of the Issuer authorizing the issuance of such Capital Appreciation and Income Bond succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding interest accrual date specified in the resolution of the Issuer authorizing the issuance of such Capital Appreciation and Income Bond calculated based upon an assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) 30-day months and, (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Authorized Investments” shall mean any investment permitted in accordance with the Issuer’s investment policy as in effect at the time such investment is made.

“Available CFC Revenues” shall mean (i) with respect to the pledge and payment requirements hereunder, the actual net CFC Revenues collected by the Issuer, not to exceed the amount of debt service payable on the Bonds allocated by the Issuer to the financing of CFC Projects; and (ii) for any historical or projected twelve (12) month period relating to the issuance of Additional Parity Bonds hereunder and the rate covenant provided in Section 16D hereof, the actual net CFC Revenues collected or projected to be collected by the Issuer during such period, not to exceed 100% of the debt service on the Bonds and any Additional Parity Bonds included in the applicable calculation allocated by the Issuer to the financing of CFC Projects, plus the applicable coverage factor.

“Available PFC Revenues” shall mean (i) with respect to the pledge and payment requirements hereunder, the actual net PFC Revenues collected by the Issuer, not to exceed the amount of debt service payable on the Bonds allocated by the Issuer to the financing of PFC Projects; and (ii) for any historical or projected twelve (12) month period relating to the issuance of Additional Parity Bonds hereunder and the rate covenant provided in Section 16D hereof, the actual net PFC Revenues collected or projected to be collected by the Issuer during such period, not to exceed 100% of the debt service on the Bonds and any Additional Parity Bonds included in the applicable calculation allocated by the Issuer to the financing of PFC Projects, plus the applicable coverage factor.

“Available Revenues” shall mean for any period of time, (i) the amount of Available PFC Revenues and Available CFC Revenues to be received by the Issuer during such period and (ii) the amount of any other future revenue source not then included in the definition of “Airport Revenues” and which the Issuer designates as “Available Revenues” in a future supplemental resolution adopted by the Issuer.

“Balloon Bonds” shall mean any Bonds of any Series issued under this Resolution, (i) thirty five percent (35%) or more of the original principal amount of which matures during any one Fiscal Year, (ii) are not subject to Amortization Installments, and (iii) are designated as “Balloon Bonds” by the Finance Director.

“Bond Fund” shall mean the fund designated and created pursuant to Section 16A(iii) hereof.

“Bond Year” shall mean the annual period ending on October 1.

“Bondholder” shall mean the Registered Owner of any Bond.

“Bonds” shall mean the Outstanding Obligations and all Additional Parity Bonds hereafter issued by the Issuer, but shall not include any Special Purpose Bonds.

“Business Day” shall mean, except as otherwise provided by supplemental resolution with respect to a series of Bonds issued hereunder, any day other than a Saturday, Sunday, a day on which the New York Stock Exchange is closed or a day on which banking institutions in the State of Florida are authorized by law to remain closed.

“Capital Appreciation and Income Bonds” shall mean any Bonds issued under this Resolution as to which accruing interest is not paid prior to the Interest Commencement Date specified in the resolution of the Issuer authorizing such Bonds and the Appreciated Value for such Bonds is compounded periodically on certain dates designated in the resolution of the Issuer authorizing said Bonds prior to the Interest Commencement Date for such Capital Appreciation and Income Bonds.

“Capital Appreciation Bonds” shall mean Bonds of a series the interest on which shall be compounded semiannually and payable only at maturity or earlier redemption.

“Capital Fund” shall mean the fund designated and created pursuant to Section 16A(vii) hereof, which fund shall not be subject to the lien and pledge of this Resolution.

“City Administrator” shall mean the City Administrator of the Issuer, or any acting or interim City Administrator, or his or her designee.

“City Attorney” shall mean the City Attorney of the Issuer, or his or her designee.

“City Clerk” shall mean the Clerk of the Issuer, any acting, deputy or assistant Clerk, or his or her designee.

“Certified Interest Rate” shall mean, with respect to a Series of Bonds maturing on a particular date or dates bearing interest at a variable interest rate, not fixed to maturity, the interest rate set forth in a certificate filed with the Finance Director and Airport Director on or prior to the date of the first issuance of the Series of Bonds, as the same may be updated from time to time, as determined in accordance with the provisions of the next sentence. A Certified Interest Rate shall be that rate or rates of interest determined by an investment banking or financial advisory institution or firm selected by the Issuer, as the rate of interest such Series of Bonds would bear if, assuming the same maturity date, terms and provisions (other than interest rate) as the variable rate Bonds of such maturity, such Bonds were issued at a fixed interest rate.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all valid and applicable regulations promulgated or proposed thereunder.

“Consulting Engineers” shall mean such qualified and recognized consulting engineers, having a favorable reputation for skill and experience as consulting engineers to facilities similar to the Airport Facilities, at the time retained by the Issuer to perform the acts and carry out the duties as herein provided for such Consulting Engineers. The functions of the Consulting Engineers hereunder may be divided between or among consulting engineers.

“Counterparty” shall mean the entity entering into a Hedge Agreement with the Issuer and shall include any guarantor or credit enhancer of such entity’s obligation under such Hedge Agreement.

“Credit Provider” shall mean, with respect to any Series of Bonds, the issuer of a municipal bond insurance policy, letter or line of credit, surety bond, Reserve Fund Insurance Policy, Reserve Fund Letter of Credit or other credit facility securing the payment of debt service with respect thereto.

“Customer Facility Charges” or “CFCs” shall mean the customer facility charge or charges imposed by the City on rental car transactions occurring on or about the Airport, and required to be collected by each on-airport rental car concessionaires pursuant to the Rental Car Concession Agreement and Real Property Lease and by each off-airport rental car operators.

“CFC Projects” shall mean those projects or components thereof for which the use of Customer Facility Charges has been authorized by the Issuer in accordance with applicable law and contractual provisions relating thereto.

“Debt Service Reserve Fund” shall mean the fund as designated and established under Section 16A(iv) hereof.

“Federal Aviation Administration Grant Assurances” shall mean the obligations associated with the acceptance of funds from FAA-administered airport financial assistance programs.

“Eligible Projects” shall mean, as applicable, PFC Projects, CFC Projects and Projects or components thereof designated by the Issuer as eligible to be funded with any other source of Available Revenues.

“Federal Securities” shall mean direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor.

“Finance Director” means the Finance Director of the Issuer, or his or her designee.

“Fiscal Year” shall mean the annual period ending on September 30, or such other period as may be prescribed by law as the Issuer's Fiscal Year.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by Issuer.

“Hedge Agreement” shall mean an agreement in writing between the Issuer and a Counterparty as a debt management tool with respect to the Bonds, or any portion thereof, issued hereunder such as an interest rate swap, collar or cap, basis swap or other functionally similar agreement designated by the Issuer as a “Hedge Agreement” for purposes of this Resolution.

“Hedge Payments” shall mean any amounts payable by the Issuer calculated as interest on a notional amount under a Qualified Hedge Agreement; excluding however, any payments due as a penalty or fee or by virtue of a termination of a Qualified Hedge Agreement, or any obligation of the Issuer to provide collateral under a Qualified Hedge Agreement.

“Hedge Receipts” shall mean any amounts receivable by the Issuer calculated as interest on a notional amount under a Qualified Hedge Agreement; excluding, however, any amounts due by virtue of termination of a Qualified Hedge Agreement or as collateral posted by a Counterparty under a Qualified Hedge Agreement.

“Interest Commencement Date” shall mean the date on which interest is first payable (other than by Appreciated Value) on the Capital Appreciation and Income Bonds.

“Issuer” shall mean the City of Pensacola, Florida.

“Kroll” means Kroll Bond Rating Agency, LLC, limited liability corporation organized and existing under the laws of the state of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Kroll” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Maturity Amount” shall mean the amount payable upon the stated maturity of a Capital Appreciation Bond equal to the principal amount thereof plus all accrued interest thereon from the date of issue to the date of maturity.

“Mayor” means the Mayor of the Issuer or the City Administrator or Finance Director on behalf of the Mayor.

“Maximum Annual Debt Service Requirement” for the Bonds or any series of Bonds, as applicable, shall mean, as of any particular date of calculation, the Annual Debt Service Requirement with respect to such Bonds as contemplated for the then current or any future Bond Year in which such sum is the greatest.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Municipal Bond Insurance Policy” shall mean a municipal bond insurance policy issued by a Municipal Insurer simultaneously with the delivery of a series of Bonds, insuring the payment of the principal of and interest on such series of Bonds in accordance with the terms thereof.

“Municipal Insurer” shall mean a nationally recognized financial institution which issues a letter of credit, bond insurance policy or other guaranty of the payment of principal and interest on Bonds.

“Net Revenues” or **“Net Revenues of the Airport Facilities”** shall mean Airport Revenues after deduction of Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” shall mean the Issuer's annual expenses (paid or accrued) of operating, maintaining, repairing, and administering the Airport, including the Issuer's overhead allocable to the Airport and including capital outlays other than for capital improvements; taxes; and assessments and judgments, if any, if final and not subject to appeal or otherwise contested in good faith; and expenses for defending, settling, or satisfying litigation, as set forth in the current annual budget determined in accordance with generally accepted accounting principles, but excluding any such expenses paid with Customer Facility Charges. The categories of overhead expense allocable by the Issuer to the Airport shall also be determined in accordance with recognized accounting practices. Operation and Maintenance Expenses shall not include any allowance for depreciation, renewals or extensions or any charges for the accumulation of reserves for capital replacements, renewals or extensions or, in the discretion of the Issuer, other non-cash expenses; provided, however, that if the Issuer shall convey, lease or license the Airport Facilities, or any part thereof, under terms providing for the payment of net rentals to the Issuer and whereby the lessee or licensee pays part or all of the cost of operation and maintenance, then the part of such cost of operation and maintenance paid by such lessee or licensee shall not be included under the term Operation and Maintenance Expenses. Operation and Maintenance Expenses shall not include operating or maintenance expenses of Special Purpose Facilities, except to the extent hereinafter expressly provided therein.

“Operation and Maintenance Fund” shall mean the fund designated and created pursuant to Section 16A(ii) hereof.

“Operation and Maintenance Reserve Account” shall mean the account in the Operation and Maintenance Fund designated and created pursuant to Section 16A(ii) hereof.

“Outstanding Obligations” shall mean the outstanding City of Pensacola, Florida Airport Refunding Revenue Note, Series 2015, City of Pensacola, Florida Airport Refunding Revenue Note, Series 2017 and City of Pensacola, Florida Airport Refunding Revenue Note, Series 2018.

“Passenger Facility Charges” or **“PFCs”** means passenger facility charges imposed by the Issuer in accordance with the PFC Act and applicable PFC Approvals.

“Paying Agent” shall mean any paying agent for the Bonds, or any series thereof (and may include the Registrar) and its successor or successors appointed from time to time by supplemental resolution to provide the services provided herein to be provided by a Paying Agent.

“PFC Act” means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX; Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time.

“PFC Approvals” mean the Final Agency Decision of the Federal Aviation Administration, made pursuant to the PFC Act and PFC Regulations, relating to passenger facility charges imposed by the Issuer, as the same may be issued and amended from time to time.

“PFC Project” means those projects or components of projects for which the imposition and use of PFCs by the Issuer have been approved by one or more PFC Approvals.

“PFC Regulations” means Part 158 of the Federal Aviation Regulations (12 CFR Part 158), as amended from time to time, and any other regulations with respect to the PFC Act.

“PFC Revenues” means all revenues received by the Issuer from PFCs imposed by the Issuer with respect to the Airport Facilities pursuant to the PFC Act, the PFC Regulations and the PFC Approvals, including any interest earned thereon after such revenues have been remitted to the Issuer as provided in the PFC Regulations; provided, however, that if Operation and Maintenance Expenses with respect to PFC Projects are permitted pursuant to the PFC Act and PFC Regulations to be paid from passenger facility charges, “PFC Revenues” shall be the net of Operation and Maintenance Expenses with respect to PFC Projects..

“Pledged Funds” shall mean (1) the Net Revenues of the Airport Facilities, (2) Available Revenues, (3) cash subsidy or similar payments made by the U.S. Treasury or other federal or state governmental entity to or on behalf of the Issuer for payments with respect to Bonds, and (4) until otherwise applied as provided herein, the moneys held in the funds and accounts hereunder (except the Capital Fund) and the income on investment thereof, and the net proceeds of insurance on the Airport Facilities, until applied to the acquisition or construction of the Airport Facilities with respect to which such proceeds were realized.

“Prerefunded Obligations” shall mean any bonds or other obligations of any state of the United States of America or of any political subdivision, agency, instrumentality or local governmental unit of any such state (1) which are (A) not to be redeemed prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or Federal Securities, deposited in an irrevocable escrow with an escrow holder or trustee, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or

dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on Federal Securities which have been deposited in such fund along with any cash on deposit in such fund are sufficient, as verified by an independent certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above, and (4) which are rated in the highest rating category of a Rating Agency.

“Project” shall mean the acquisition, construction, reconstruction, betterment, extension, implementation and equipping of capital improvements to the Airport Facilities more particularly described in the plans and specifications on file or to be on file with the Issuer, as such improvements may be revised or supplemented, from time to time, by the Issuer upon receipt of an approving opinion of bond counsel.

“Put Bonds” shall mean Bonds which are subject to mandatory or optional tender by the Registered Owner thereof for purchase by the Issuer prior to their stated date of maturity.

“Qualified Hedge Agreement” shall mean a Hedge Agreement with a Counterparty which at the time the Hedge Agreement is entered into is rated by any two of the Rating Agencies, at least “A-1” or equivalent rating.

“Rating Agency” means Fitch, Kroll, Moody’s, Standard & Poor’s or other nationally recognized credit rating agency.

“Registered Owner” shall mean the person in whose name any Bond is registered, from time to time on the registration books of the Registrar.

“Registrar” shall mean the Paying Agent for the Bonds, as Registrar or such other person, firm or corporation as may thereafter be from time designated by the Issuer as the Registrar for the Bonds.

“Released Revenues” shall mean any Revenues or component of “Revenues” of the Issuer in respect of which there has been filed with the Issuer’s Finance Director and the Airport Director the following:

(a) either (i) an Airport Consultant’s certificate showing that, based upon reasonable assumptions, project Net Revenues after the exclusion of the Revenues or component of Revenues proposed to be released, plus Available PFC Revenues, calculated in accordance with the Additional Parity Bonds test in Section 16Q hereof for each of the three full Fiscal Years following the Fiscal Year in which such certificate is delivered, will not be less than the larger of (A) the amounts needed for making the deposits required by Section 16B(1)-(6) or (B) an amount not less than 150% of the average Annual Debt Service Requirement for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such Revenues (disregarding any Bonds that have been or will be paid or discharged); or (ii) an independent certified public accountant’s certificate to the effect that Net Revenues, plus

Available PFC Revenues, excluding the Revenues or component of Revenues proposed to be released, in the two most recently completed Fiscal Years, were not less than the larger of (A) the amounts needed for making the deposits required by Section 16B(1)-(6) or (B) 135% of (1) average Annual Debt Service Requirement on all Bonds Outstanding in each such Fiscal Year (disregarding any Bonds that have been paid or discharged), plus (2) average Annual Debt Service Requirement with respect to any Additional Parity Bonds issued since the completion of such Fiscal Year or proposed to be issued at the time such certificate is delivered;

(b) an opinion of Bond Counsel to the effect that (i) the conditions set forth herein to the release of such Revenues have been met and (ii) the exclusion of such Revenues from the pledge and lien of this Resolution will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax; and

(c) written confirmation from each of the Rating Agencies then rating outstanding Bonds at the request of the Issuer to the effect that the exclusion of such Revenues or component of Revenues from the pledge and lien of this Resolution will not cause a withdrawal of or reduction in any unenhanced rating or outlook then assigned to outstanding Bonds.

Upon the receipt of such documents by the Issuer's Finance Director and the Airport Director, the Revenues or component of Revenues addressed in such documents shall be excluded from the pledge and lien of this Resolution and notice of such release shall be posted in compliance with any continuing disclosure undertaking with respect to outstanding Bonds.

"Renewal and Replacement Fund" shall mean the fund designated and created pursuant to Section 16A(v) hereof.

"Reserve Fund" shall mean the Reserve Fund established pursuant to Section 16A(iv) hereof.

"Reserve Fund Insurance Policy" shall mean the insurance policy deposited in the Reserve Fund in lieu of or in partial substitution for cash on deposit therein pursuant to Section 16B(3) hereof.

"Reserve Fund Letter of Credit" shall mean a letter of credit or line of credit or other credit facility (other than a Reserve Fund Insurance Policy) deposited in the Reserve Fund in lieu of or in partial substitution for cash on deposit therein pursuant to Section 16B(3) hereof.

"Reserve Requirement" shall mean, as of any date of calculation for the Reserve Fund or any account therein, an amount equal to the lesser of (1) Maximum Annual Debt Service Requirement for all outstanding Bonds secured thereby, (2) 125% of the average Annual Debt Service Requirement for all outstanding Bonds secured thereby, or (3) the maximum amount allowed to be funded from proceeds of tax-exempt obligations and invested at an unrestricted yield pursuant to the Code; provided, however, the Issuer may establish by supplemental

resolution a different Reserve Requirement for an account of the Reserve Fund which separately secures one or more series of Bonds pursuant to Section 16B(3) hereof, or may provide by supplemental resolution that a series of Bonds shall not be secured by the Reserve Fund or any account therein. In computing the Reserve Requirement in respect of a series of Bonds that constitutes variable rate Bonds, the interest rate on such Bonds shall be assumed to be the Certified Interest Rate applicable thereto.

“Resolution” shall mean this resolution of the Issuer as hereafter amended and supplemented from time to time in accordance with the provisions hereof.

“Revenue Fund” shall mean the fund designated and created pursuant to Section 16A(i).

“Serial Bonds” shall mean the Bonds of a series which shall be stated to mature in annual installments.

“Special Purpose Bonds” shall mean obligations (other than Additional Parity Bonds) issued to finance Special Purpose Facilities and which are payable from the revenues, receipts and income realized from such Special Purpose Facilities.

“Special Purpose Projects” or **“Special Purpose Facilities”** shall mean lands, buildings, facilities and structures designated as such by the Issuer, the cost of construction or acquisition of which are authorized by the Act and are financed with the proceeds of Special Purpose Bonds issued pursuant to Section 16 hereof and/or are funded with gifts, grants, or awards for a specific special purpose facility and not with Bonds issued hereunder.

“Standard & Poor’s” shall mean means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Subordinate Securities Fund” shall mean the fund designated and created pursuant to Section 16A(vi) hereof.

“Tender” shall mean, with respect to Put Bond, the right of the Registered Owner to demand the purchase, or the obligation of the Registered Owner to tender a Bond for purchase, prior to the stated maturity thereof.

“Term Bonds” shall mean the Bonds of a series all of which shall be stated to mature on one date and which shall be subject to retirement by operation of the Bond Amortization Account.

SECTION 3. CONSTRUCTION OF CERTAIN TERMS. For all purposes of the Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

A. The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

B. All references in the Bond Resolution to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of the Bond Resolution. The words "herein," "hereof," and "hereunder" and other words of similar import refer to the Bond Resolution as a whole and not to any particular Article, Section, or other subdivision.

C. The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

D. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants.

SECTION 4. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Issuer now owns, operates and maintains the Airport Facilities and derives Airport Revenues from fees, rates, rentals and other charges made and collected therefrom.

B. The Pledged Funds are not now pledged or encumbered in any manner, except for the payment of the Outstanding Obligations.

C. The principal of and interest on the Bonds and all required sinking fund, reserve and other payments shall be payable solely from the Pledged Funds as provided herein. The Issuer shall never be required to levy ad valorem taxes or taxes of any nature to pay the principal of, premium, if any, and interest on the Bonds or to make any of the required sinking fund, reserve or other payments and such Bonds shall not constitute a lien upon any property owned by or situate within the territorial jurisdiction of the Issuer except the Pledged Funds. The Bonds shall not constitute a general indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be limited obligations of the Issuer secured solely by the Pledged Funds as provided herein.

SECTION 5. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by the Registered Owners from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners. The covenants and agreements herein set forth to be

performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions hereof, bonds of the Issuer to be known as "Airport Revenue Bonds, Series ____", are authorized to be issued in the aggregate principal amounts set forth in resolutions adopted from time to time by the Issuer in accordance with, and upon compliance with the terms and provisions hereof.

SECTION 7. DESCRIPTION OF BONDS. The Bonds, except Capital Appreciation Bonds, shall be dated as of a date or dates to be fixed by subsequent resolution of the Issuer, but not later than their date of delivery, may be Serial Bonds, Term Bonds, or a combination thereof; shall be designated "R-__" and numbered consecutively from one upward in order of authentication; shall be in such authorized denominations, shall bear interest at such rate or rates not exceeding the maximum lawful rate allowable by law to be payable at such times, and shall mature annually on such dates and in such years and amounts, all as shall be determined by subsequent resolution of the Issuer. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid, until payment of the principal sum. The Bonds shall be issued in fully registered form, payable as to principal and premium, if any, upon presentation and surrender thereof on the date fixed for maturity or redemption thereof at the designated office of the Paying Agent. Unless otherwise provided by subsequent resolution of the Issuer, interest on each fully registered Bond (except the Capital Appreciation Bonds) shall be paid by check or draft mailed to the person in whose name the Bond is registered, at his or her address as it appears on the Bond Register maintained by the Registrar, at the close of business on the 15th day of the month (whether or not a Business Day) next preceding the interest payment date (the "Record Date"), irrespective of any transfer of such Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date except that the Registrar will, at the request of any Registered Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds of a series, make payments of interest on such Bonds by wire transfer to the account designated by such Registered Owner to the Registrar in writing at least five (5) Business Days before the Record Date for such payments. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of defaulted interest as established by notice mailed by the Registrar to the Registered Owner of the Bonds (except the Capital Appreciation Bonds) not less than fifteen days preceding such special record date. Such notice shall be mailed to the person in whose name such Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing. All payments shall be made in accordance with and pursuant to the terms of this Resolution and the Bonds and shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public or private debts.

The Capital Appreciation Bonds shall be dated as of a date or dates to be fixed by subsequent resolution of the Issuer, but not later than their date of delivery, shall be designated "CA-____" and numbered from 1 upward in order of authentication, shall mature on such dates, and the principal amounts thereof shall accrete at the approximate annual yield (subject to rounding the Accreted Values), all as set forth by subsequent resolution of the Issuer.

Unless otherwise provided by subsequent resolution of the Issuer, no Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Resolution until the certificate of authentication endorsed on the Bond shall have been duly executed by the manual signature of an authorized official of the Registrar.

Unless otherwise provided by subsequent resolution of the Issuer, if the date for payment of the principal of, premium, if any, or interest on the Bonds shall not be a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

SECTION 8. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Issuer by the Mayor, such execution to be attested under seal by the City Clerk, approved as to substance by the Finance Director and designated as in legal form and valid as drawn by the City Attorney and its official seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signatures of such officers may be imprinted or reproduced on the Bonds in lieu of manual signatures. Except as may otherwise be provided by subsequent resolution, the Certificate of Authentication of the Registrar, hereinafter described, shall appear on the Bonds, and no Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such Bonds. The authorized signature for the Registrar shall at all times be a manual signature. In case any officer whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bonds shall hold the proper office with the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

If the Bonds are validated, the validation certificate on the Bonds shall be executed by the Mayor by manual or facsimile signature. The Issuer may adopt and use for such purposes the facsimile signature of any person who shall have held such office at any time on or after the date of adoption of this Resolution, notwithstanding that such person may have ceased to be such officer at the time the Bonds are actually delivered.

SECTION 9. NEGOTIABILITY. Subject to the provisions hereof respecting registration and transfer, the Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Registered Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that the Bonds

shall be and have all of such qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities, being Chapter 678, Florida Statutes, as amended.

SECTION 10. REGISTRATION, EXCHANGE AND TRANSFER. There shall be a Registrar for the Bonds which shall be the Finance Director or a designated bank or trust company located within or without the State of Florida appointed by the Issuer. The Registrar shall maintain the registration books of the Issuer and be responsible for the transfer and exchange of the Bonds. The Issuer shall, prior to the proposed date of delivery of the Bonds, by resolution designate the Registrar and the Paying Agent. The Registrar shall maintain the books for the registration of the transfer and exchange of the Bonds in compliance with Section 149(a) of the Code, the Florida Registered Public Obligations Act, being Chapter 279, Florida Statutes, as amended, and the system of registration as established by the Issuer pursuant thereto.

Bonds may be transferred upon the registration books, upon delivery to the Registrar, together with written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee and, if such transferee is a trust, the name and social security or federal employer identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. No transfer of any Bond shall be effective until entered on the registration books maintained by the Registrar.

Upon surrender for transfer or exchange of any Bond, the Issuer shall execute and the Registrar shall authenticate and deliver in the name of the Registered Owner or the transferee or transferees, as the case may be, a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the Registered Owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution. The Issuer or the Registrar may charge the owner of such Bond for every such transfer or exchange an amount sufficient to reimburse them for their reasonable fees and for any tax, fee, or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before any such new Bond shall be delivered.

All Bonds presented for transfer, exchange, redemption or payment (if so required by the Registrar), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or by his duly authorized attorney in fact or legal representative.

All Bonds delivered upon transfer or exchange shall bear interest from the preceding interest payment date so that neither gain nor loss in interest shall result from the transfer or exchange. New Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bond surrendered, shall be secured by this Resolution and shall be entitled to all of the security and the benefits hereof to the same extent as the Bonds surrendered.

The Issuer and the Registrar may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bonds shall be overdue, and shall not be bound by any notice to the contrary.

Notwithstanding the foregoing provisions of this section, the Issuer reserves the right, on or prior to the delivery of the Bonds to amend or modify the foregoing provisions relating to the registration of the Bonds by resolution in order to comply with all applicable laws, rules, and regulations of the United States and/or the State of Florida relating thereto.

SECTION 11. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered shall be cancelled by the Registrar. If any such Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations whether or not the lost, stolen or destroyed bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the extent as all other Bonds issued hereunder.

SECTION 12. PROVISIONS FOR REDEMPTION. The Bonds may be subject to redemption, including from Amortization Installments and/or at the option of the Issuer, as provided by subsequent resolution of the Issuer duly adopted prior to the issuance of each series or subseries of Bonds.

Bonds in denominations greater than an authorized denomination (or authorized Maturity Amount in the case of Capital Appreciation Bonds) shall be deemed to be an equivalent number of Bonds in the denomination of an authorized denomination (or Maturity Amount). If a Bond is of a denomination (or Maturity Amount) larger than an authorized denomination (or Maturity Amount), a portion of such Bond may be redeemed, in the amount of an authorized denomination (or Maturity Amount) or integral multiples thereof.

Except as may otherwise be provided with respect to a series of Bonds in the resolution authorizing such series, notice of such redemption must contain, at a minimum, the complete official name of the Bonds including the date of issue and series thereof, CUSIP number, for partial calls the certificate numbers and called amount of each certificate, redemption date, redemption price, redemption agent name and address with contact person and phone number,

interest rate, maturity date, and other descriptive information if any that accurately identifies the called Bonds.

Except as may otherwise be provided with respect to a series of Bonds in the resolution authorizing such series, such notice of redemption (i) shall be filed with the Paying Agent and the Registrar; and (ii) shall be mailed by the Registrar, first-class mail, postage prepaid, to the applicable Municipal Insurer, if any, and to all Registered Owners of the Bonds to be redeemed not more than forty-five (45) days and not less than thirty (30) days prior to the date fixed for redemption at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. In the event any Registered Owner has not sent its Bond for redemption within sixty (60) days following a redemption date, the Registrar shall mail a second notice of redemption to such Registered Owner in the same manner as the first notice and the same shall not affect the validity of the first notice. Failure to give such notice by mailing to any Registered Owner of Bonds or to any depository institutions or to any national information service, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds.

Any notice of optional redemption may state that it is conditioned upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus accrued interest to such redemption date, or upon the satisfaction of any other condition, and that it may be rescinded upon the failure of any such condition, and any conditional notice so given may be rescinded at any time prior to payment of such redemption price and accrued interest if any such condition so specified is not satisfied. Notice of such rescission shall be given by the Paying Agent to affected Registered Owners as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Notice having been mailed and filed in the manner and under the conditions hereinabove provided and any conditions provided in such notice having been satisfied, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date the Paying Agent shall use its best efforts to include in the redemption payments the CUSIP number of the Bonds to which they apply. On the date so designated for redemption, notice having been mailed and filed and moneys for payment of the redemption price being held in separate accounts in trust for the Registered Owners of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Registered Owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Amounts held by the Paying Agent for payment of redeemed Bonds due to nonpresentment of Bonds on any redemption date shall be retained by the Paying Agent for a period of at least one year after the final stated maturity date of the redeemed Bonds.

Upon surrender of any Bond for redemption in part only, the Issuer shall issue and deliver to the Registered Owners thereof, the costs of which shall be paid by the Registered Owner, a new Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion surrendered.

Upon the purchase or redemption of any Term Bonds of any Series and maturity for which Amortization Installments shall have been established in advance of their scheduled maturity or mandatory redemption date, an amount equal to the principal amount of such Bonds so purchased or redeemed shall be credited toward a part (in an integral multiple of the authorized denominations for such Bond) or all or any one or more Amortization Installments thereafter to become due, as designated in a certificate or resolution of the Issuer, or in the absence of such designation, toward Amortization Installments in inverse order of their due dates.

SECTION 13. FORM OF BONDS. The text of the Bonds, the Capital Appreciation Bonds, the Certificate of Authentication and the Assignment shall be in substantially the forms attached hereto as Exhibit "A", with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent resolution adopted prior to the issuance thereof or which may be necessary and desirable for Capital Appreciation and Income Bonds, Put Bonds or Balloon Bonds.

SECTION 14. BONDS NOT DEBT OF ISSUER. The Bonds do not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. Neither the State of Florida nor any political subdivision thereof, nor the Issuer shall be obligated (1) to exercise its ad valorem taxing power or any other taxing power in any form to pay the principal of the Bonds, the premium, if any, the interest thereon, or to make any of the required sinking fund, reserve or other payments or costs incident thereto or (2) to pay the same from any other funds of the Issuer, except from the Pledged Funds, in the manner provided in this Resolution. It is further agreed between the Issuer and the Registered Owner of the Bonds that the Bonds and the indebtedness evidenced thereby shall not constitute a lien on the Project or any other property of the Issuer, but shall constitute a lien only on the Pledged Funds, in the manner provided in this Resolution.

SECTION 15. PLEDGED FUNDS. Until payment has been made or provided for as herein permitted, the payment of the principal of, premium, if any, and interest on the Bonds shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds prior and superior to all other liens or encumbrances on such Pledged Funds, and the Issuer does hereby irrevocably pledge such Pledged Funds to the payment of the principal of, premium, if any, and interest on the Bonds, the reserves therefor, and for all other payments required under this Resolution; provided, however, that Available Revenues shall secure only those Bonds designated by the Issuer as secured by such Available Revenues.

SECTION 16. COVENANTS OF THE ISSUER. For as long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid, or until payment

has been provided for as herein permitted, the Issuer covenants with the Registered Owners of any and all Bonds as follows:

A. CREATION OF FUNDS AND ACCOUNTS. There are hereby created and established by the Issuer the following funds and accounts:

(i) The City of Pensacola, Florida Airport Revenue Fund (the "Revenue Fund");

(ii) The City of Pensacola, Florida Airport Operation and Maintenance Fund (the "Operation and Maintenance Fund") and an account therein, the "Operation and Maintenance Reserve Account".

(iii) The City of Pensacola, Florida Airport Bond Fund (the "Bond Fund") and three accounts therein: the "Principal Account," the "Interest Account" and the "Bond Amortization Account".

(iv) The City of Pensacola, Florida Airport Debt Service Reserve Fund (the "Reserve Fund"). The Issuer may by subsequent resolution create separate accounts in the Reserve Fund securing one or more series of Bonds designated to be secured thereby.

(v) The City of Pensacola, Florida Airport Renewal and Replacement Fund (the "Renewal and Replacement Fund").

(vi) The City of Pensacola, Florida Airport Subordinate Securities Fund (the "Subordinate Securities Fund").

(vii) The City of Pensacola, Florida Airport Capital Fund (the "Capital Fund").

The Revenue Fund shall constitute a trust fund for the purposes herein provided, and shall be accounted for separately and distinctly from all other funds of the Issuer and used only for the purposes and in the manner herein provided. Any provision hereof to the contrary notwithstanding, so long as (1) the Issuer is not in default in the payment of principal, premium, if any, and interest on the Bonds, and (2) all amounts required to be on deposit in the Reserve Fund pursuant to Section 16B(3) are then current, and (3) there has been no default under the provisions of any applicable Reserve Fund Insurance Policy and there has been no unreimbursed drawing thereunder, then the failure to deposit the Pledged Revenues into the Revenue and Bond Funds created herein in the amounts required hereunder shall not be deemed a default hereunder so long as the full amount of such deposits necessary to make all such payments with respect to the Bonds are deposited in such Funds not less than six (6) Business Days prior to the date such payments are due. If at any time the amount on deposit in any of the funds and accounts established hereunder exceeds the amount then required to be on deposit therein, the Issuer may withdraw such excess and apply the same first to cure any deficiency in any other fund or account

created hereunder (in the order of application provided in B. below) and then to deposit in the Capital Fund.

The cash required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds as herein provided. The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds and accounts as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute dedication of certain revenues and assets of the Airport Facilities for specified purposes and to establish specified priorities for application of such revenues and assets as herein provided.

B. DISPOSITION OF AIRPORT REVENUES AND AVAILABLE REVENUES. Airport Revenues shall upon receipt be deposited to the credit of the Revenue Fund. Available Revenues shall be deposited to the credit of the applicable accounts of the Bond Fund and Reserve Fund to fund that portion of debt service and debt service reserve replenishments allocated to Eligible Projects prior to the deposits of amounts on deposit in the Revenue Fund pursuant to subsections 2(a), (b) and (c) and (3) below.

All moneys at any time remaining on deposit in the Revenue Fund shall be applied and allocated on a monthly basis only in the following manner and in the following order of priority:

(1) Moneys in the Revenue Fund shall first be deposited to the Operation and Maintenance Fund, such sums which are necessary for the monthly Operation and Maintenance Expenses of the Airport Facilities for the ensuing month.

(2) Moneys in the Revenue Fund shall next be deposited to the Bond Fund in an amount necessary to deposit on a parity basis into the Principal Account, and Interest Account and Bond Amortization Account the following amounts after the deposit of Available PFC Revenues and after the deposit of subsidy or similar payments as provided in Section 16L below:

(a) To the Principal Account the sum, which, together with the balance in the Principal Account, including all Available CFC Revenues deposited therein, shall equal the principal amount of all outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the current calendar month if such principal were deemed to accrue monthly (assuming a year consists of twelve (12) calendar months comprised of 30 days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal payment. Moneys in the Principal Account shall be applied by the Issuer for deposit with the Paying Agents for the payment of principal of the Bonds

on or prior to the date the same shall mature. Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature. The Issuer shall adjust the amount on deposit in the Principal Account not later than the principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal of the Bonds becoming due on such principal payment date.

(b) To the Interest Account the sum which, together with the balance in the Interest Account including any Available Revenues deposited therein, shall equal the interest on all outstanding Bonds (except Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. All Hedge Receipts shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which are subject to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Issuer (1) for deposit with the Paying Agents to pay the interest on the Bonds on or prior to the date the same shall become due and (2) to make Hedge Payments when due. The Issuer shall adjust the amount on deposit in the Interest Account prior to each interest payment date and date on which a Hedge Payment is due so as to provide sufficient funds in the Interest Account to pay interest on the Bonds due on such interest payment date and Hedge Payments due on such payment date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Qualified Hedge Agreement Counterparty relating to such Bonds shall be paid to the Qualified Hedge Agreement Counterparty on a parity basis with the deposits to the Interest Account for the payment of interest on the Bonds. In computing the required deposit to the Interest Account with respect to Bonds bearing interest at a variable rate, unless the actual rate for the balance of the month is determinable at the time of deposit, the variable rate shall be assumed to be (x) if such Bonds have been outstanding for at least twelve (12) months prior to the commencement of such calendar month, the highest interest rate borne by such Bonds during the preceding twelve (12) month period, and (Y) if such Bonds have not been outstanding for at least twelve (12) months prior to the date of calculation, The Bond Buyer 25 Revenue Bond Index most recently published prior to the commencement of such calendar month.

(c) To the Bond Amortization Account, commencing in the month which is one year prior to the first Amortization Installment due date, the sum which, together with the balance in the Bond Amortization Account including any Available PFC Revenues deposited therein, shall equal the Amortization Installments on all outstanding Bonds due and unpaid and that portion of the Amortization Installments of all outstanding Bonds next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming a year consisting of twelve (12) 30 day months) in equal amounts from the preceding Amortization Installment due date, or, if there is no preceding Amortization Installment due date, from the date one year preceding the due date of the Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner provided herein. The Issuer shall adjust the amount on deposit in the Bond Amortization Account prior Amortization Installment due

date so as to provide sufficient funds in the Bond Amortization Account to pay the Amortization Installments becoming due on such date.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installments (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Issuer, on or prior to the 60th day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the series and maturity for which such Amortization Installment was established, or (b) to the redemption at the applicable redemption prices of such Term Bonds, if then redeemable by their terms. Amounts in the Bond Amortization Account which are used to redeem Term Bonds shall be credited against the next succeeding Amortization Installment which shall become due on such Term Bonds. The applicable redemption price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment due date, for the purposes of calculating the amount on deposit in such Account. As soon as practicable after the 60th day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 11 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment due date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Maintenance and Operating Fund.

(3) Moneys in the Revenue Fund shall next be deposited to the Reserve Fund in an amount which would enable the Issuer to restore the funds on deposit in the Reserve Fund (including any accounts therein) to an amount equal to the Reserve Requirement applicable thereto. All deficiencies in the Reserve Fund must be made up no later than twelve months from the date such deficiency first occurred, whether such shortfall was caused by decreased market value or withdrawal (whether from cash or a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit). On or prior to each principal payment date and interest payment date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Fund shall be applied by the Issuer to the payment of the principal of or redemption price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose, but only to the extent the moneys transferred from the Operation and Maintenance Reserve Account and the Renewal and Replacement Account for such purposes pursuant to Sections 16B(4) and (5), respectively, hereof shall be inadequate to fully provide for such insufficiency. Whenever there shall be surplus moneys in the Reserve Fund by reason of a decrease in the Reserve Requirement or as a result of a deposit in the Reserve Fund Letter of

Credit or a Reserve Fund Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the Issuer into the Revenue Fund.

Upon the issuance of any series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the Reserve Fund or the applicable Account therein in an amount at least equal to the Reserve Requirement, if any, applicable to such Series of Bonds. Such required amount, if any, shall be paid in full or in part from the proceeds of such series of Bonds or may be accumulated in equal monthly payments to the Reserve Fund over a period of months from the date of issuance of such series of Bonds, which shall not exceed 36 months. In the event moneys in the Reserve Fund are accumulated as provided above, (a) the amount in said Reserve Fund on the date of delivery of the Additional Parity Bonds shall not be less than the Reserve Requirement on all Bonds then outstanding (excluding the Additional Parity Bonds) on such date, and (b) the incremental difference between the Reserve Requirement on all Bonds then outstanding (excluding the Additional Parity Bonds) on the date of delivery of the Additional Parity Bonds and the Reserve Requirement on all such Bonds and the Additional Parity Bonds shall be 50% funded upon delivery of the Additional Parity Bonds.

Notwithstanding the foregoing provisions, in lieu of or in substitution of the required deposits into the Reserve Fund, the Issuer may cause to be deposited into the Reserve Fund a Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Requirement applicable thereto and the sums then on deposit in the Reserve Fund, if any. The Issuer may also substitute a Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit for cash on deposit in the Reserve Fund upon compliance with the terms of this Section 16B(3). Such Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any principal maturity date, interest payment date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. The provider of such Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit shall, at the time of delivery thereof, be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, or the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories) by a Rating Agency at the time of issuance of such Reserve Fund Insurance Policy, or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating by a Rating Agency in one of the three highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories) at the time of issuance of such Reserve Fund Letter of Credit. Any Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit shall equally secure all Bonds except to the extent a series of Bonds is secured by an account in the Reserve Fund which is pledged solely for the payment of such series of Bonds or is designated to not be secured by the Reserve Fund or any accounts therein as provided in the last paragraph of this Section 16B(3).

If two days prior to an interest or principal payment date, or such other period of time as shall be required by the terms of the Reserve Fund Insurance Policy or Reserve

Fund Letter of Credit, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on the Bonds on such date, the Issuer shall immediately notify (a) the provider of the applicable Reserve Fund Insurance Policy and/or the issuer of the Reserve Fund Letter of Credit and submit a demand for payment pursuant to the provisions of such Reserve Fund Insurance Policy and/or the Reserve Fund Letter of Credit, and (b) the Paying Agent, of the amount of such deficiency and the date on which such payment is due.

In the event the Reserve Fund contains both a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit and cash and separate accounts have not been established in the Reserve Fund, the cash shall be drawn down completely prior to any draw on the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit. In the event more than one Reserve Fund Insurance Policy or Reserve Fund Letter of Credit is on deposit in the Reserve Fund, amounts required to be drawn thereon shall be done on a pro-rata basis. The Issuer agrees to pay all amounts owing in regard to any Reserve Fund Insurance Policy or Reserve Fund Letter of Credit from the Pledged Funds. Pledged Funds shall be applied in accordance with this Section 16B(3), first, to reimburse the provider of the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit for amounts advanced under such instruments, second, replenish any cash deficiencies in the Reserve Fund, and third, to pay the issuer of the Reserve Fund Insurance Policy or Reserve Fund Letter of Credit interest on amounts advanced under such instruments. This Resolution shall not be discharged or defeased while any obligations are owing in regard to a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit on deposit in the Reserve Fund.

Whenever the amount of cash in the Reserve Fund, together with the other amounts in the Bond Fund, are sufficient to fully pay all outstanding Bonds in accordance with their terms (including principal or applicable redemption price and interest thereon), the funds on deposit in the Reserve Fund may be transferred to the Accounts of the Bond Fund for the payment of the Bonds.

The foregoing notwithstanding, the Issuer may provide by supplemental resolution adopted prior to the issuance of series of Bonds that such Bonds will not be secured by the Reserve Fund or any Account therein, or the Issuer may also establish a separate account in the Reserve Fund for any series of Bonds and provide a pledge of such account to the payment of such series of Bonds apart from the pledge provided herein. To the extent a series of Bonds is secured separately by an account of the Reserve Fund, or is designated not to be secured by the Reserve Fund, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Fund. Moneys in a separate account of the Reserve Fund shall be maintained at the Reserve Requirement applicable to such series of Bonds secured by the account; provided the supplemental resolution authorizing such series of Bonds may establish the Reserve Requirement relating to such separate account of the Reserve Fund at such level as the Issuer deems appropriate. Moneys shall be deposited in the separate accounts in the Reserve Fund on a pro-rata basis. In the event the Issuer shall maintain a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit and moneys in such account, the moneys shall be used prior to making any disbursements under such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit.

(4) Moneys in the Revenue Fund shall next be deposited to the Operation and Maintenance Reserve Account, to maintain an amount equal to one-quarter of the amount in the annual budget, as amended from time to time in accordance with Section 16N hereof, for Operation and Maintenance Expenses, or such other amount designated from time to time by the Issuer upon the recommendation of the Airport Consultant (the "Operation and Maintenance Reserve Requirement"). Moneys in the Operation and Maintenance Reserve Account shall be used only for the purpose of the payment of Operation and Maintenance Expenses when the other moneys are insufficient therefor; provided, however, that if at any time moneys in the Revenue Fund are insufficient to make the deposits required to be made in paragraphs (1) through (3) above, moneys on deposit in the Operation and Maintenance Reserve Account shall be withdrawn therefrom and deposited by the Issuer in the Bond Fund or Reserve Fund, as applicable, to the extent of any deficiencies therein. Deficiencies in the Operation and Maintenance Reserve Account may, at the option of the Issuer, be restored over a period of sixty (60) equal monthly installments commencing in the first month of the Fiscal Year commencing after such withdrawal.

(5) Moneys in the Revenue Fund shall next be deposited to the Renewal and Replacement Fund in the amount recommended by the Airport Consultant. Such deposits shall continue to be made by the Issuer into the Renewal and Replacement Fund in order to build up and maintain on deposit therein such amount as may be recommended from time to time by the Airport Consultant and approved by the Finance Director. The moneys on deposit in the Renewal and Replacement Fund may be expended at any time and from time to time solely for the purpose of paying the cost of non-recurring maintenance, unanticipated, extraordinary or emergency repairs, renewals, extensions, improvements or additions to or the replacement of capital assets of the Airport Facilities or any part thereof. In the event moneys held in the Renewal and Replacement Fund are expended as permitted by this paragraph (5), such amount shall be replenished by the end of the sixth Fiscal Year following the Fiscal Year in which the amount was expended. Notwithstanding the other provisions of this paragraph (5), including extraordinary repairs; provided, however, that if at any time moneys in the Revenue Fund are insufficient to make the deposits required to be made in paragraphs (1) through (3) above, moneys on deposit in the Renewal and Replacement Fund shall be withdrawn therefrom and deposited by the Issuer in the Operation and Maintenance Fund, the Bond Fund or the Reserve Fund, as applicable, to the extent of any deficiencies therein.

(6) The Issuer shall next pay, from moneys in the Revenue Fund, but only if and to the extent available, to the Subordinate Securities Fund for the purpose of the payment of any obligations or indebtedness of the Issuer payable from the Pledged Funds junior and subordinate to the payments above required for the benefit of the Registered Owners of the Bonds, in the manner and upon such priority of payment as may be provided by resolution of the Issuer; provided, however, that the insufficiency of Pledged Funds to make any required payments under this paragraph (6) shall not constitute a default hereunder.

(7) The balance of any moneys remaining in the Revenue Fund after the above required applications and allocations have been made shall be held in the "Capital

Fund” hereby created and established but outside the lien and pledge of this Resolution, and the monies therein may be used for any lawful Airport purpose of the Issuer.

C. INVESTMENT OF FUNDS AND ACCOUNTS. The Operation and Maintenance Fund, the Bond Fund, the Reserve Fund, the Operation and Maintenance Reserve Account, the Renewal and Replacement Fund and any other special funds or accounts herein established and created, shall constitute trust funds for the purposes provided herein for such funds. All such funds shall be continuously secured in the manner required by the laws of the State of Florida. Moneys on deposit in any of such funds and accounts may be invested and reinvested in Authorized Investments.

Investments made with moneys in the Bond Fund (except the Bond Amortization Account), the Operation and Maintenance Reserve Account and the Renewal and Replacement Fund must mature not later than the date that such moneys will be needed or, in the case of the Reserve Fund, not later than final maturity of any Bonds then outstanding, or in the case of the Renewal and Replacement Fund, not later than five (5) years from the date of the investment. Investments made with moneys in the accounts in the Bond Amortization Account must mature no later than the stated date of maturity of the Term Bonds to be retired from the sub-accounts in the Bond Amortization Account from which the investment is made. Any and all income received by the Issuer in the Reserve Fund shall be retained therein to maintain the Reserve Requirement on deposit therein, and thereafter shall be deposited prior to completion of the Project in such funds or accounts created hereunder (other than the Capital Fund) as the Issuer may from time to time designate, and thereafter in the Bond Fund. Earnings on investments in the Bond Fund prior to completion of the Project shall be deposited in such funds or accounts as the Issuer may from time to time designate and, thereafter to the Revenue Fund. Any and all income received by the Issuer from all such investments except the Bond Fund and the Reserve Fund shall be deposited in the Revenue Fund, except that whenever the amount on deposit in the Renewal and Replacement Fund or in the Operation and Maintenance Fund shall be less than the amounts required under this Resolution to be on deposit therein such income shall be retained in the respective Fund.

D. RATES AND OTHER CHARGES. The Issuer will fix, establish, maintain and collect such rates, fees, rentals and other charges for the use and services of the Airport Facilities and revise the same from time to time whenever necessary, as will always provide Net Revenues, plus Available Revenues sufficient to pay one hundred twenty-five per centum (125%) of the current Annual Debt Service Requirement and as will always provide Airport Revenues, which, together with Available Revenues available for such purpose, sufficient to pay all reserve and other payments provided for in this Resolution and all other obligations and indebtedness payable out of the revenues of such Airport Facilities and that such rates, fees, rentals and other charges shall not be reduced so as to be insufficient to provide adequate Airport Revenues for such purposes. Failure to generate Net Revenues necessary, together with Available Revenues equal to the amount required in this Section 16D in any Fiscal Year shall not constitute an Event of Default under Section 16D if in the next Fiscal Year the Issuer takes all available measures to revise such rates, fees and other charges after consideration of recommendations of the Airport

Consultant unless Net Revenues, together with Available Revenues are less than the amount required by this Section 16D as of the end of the second Fiscal Year following such failure.

E. NON-PLEDGED FUNDS. Other than Pledged Funds, all moneys, ad valorem taxes, or proceeds received by the Issuer with respect to the Airport Facilities may upon receipt thereof be used by the Issuer, at its discretion, for any lawful Airport purpose. Nothing herein shall be deemed or construed to create in favor of the Bondholders any lien on any of such moneys nor prevent the Issuer from pledging hereafter any of such moneys for other purposes.

F. BOOKS AND RECORDS. The Issuer shall also keep books and records of the operation of the Airport Facilities, and such books and records shall be accounted for separate and apart from all other records and accounts of the Issuer. Any Bondholder shall have the right at all reasonable times to inspect all records, accounts and data of the Issuer relating thereto and to the Pledged Funds.

G. ANNUAL AUDITS. The Issuer shall, within 180 days after the close of each Fiscal Year, cause a proper audit of the financial statements based upon the books and records of the funds and accounts of the Issuer, including all of the funds and accounts relating to the Airport Facilities, to be completed by an independent certified public accountant of recognized standing and shall mail, upon request, and make generally available, the report of such audit to any Bondholder. Such audits shall include a certificate by the auditors disclosing any default on the part of the Issuer under this Resolution.

H. NO MORTGAGE OR SALE OF THE AIRPORT FACILITIES. (1) Except as provided herein, the Issuer irrevocably covenants not to sell, encumber or in any manner dispose of the Airport Facilities as a whole until all of the Bonds shall have been paid in full as to both principal and interest, or payment shall have been duly provided for under this Resolution.

(2) The Issuer shall have the right to enter into leases or management contracts for any portion of the Airport Facilities as it may deem necessary or convenient to its operation of the Airport, provided that the Airport Consultant shall have first certified in writing that such management contract or lease will not adversely affect the Net Revenues to be derived from the Airport Facilities to such an extent that the Issuer will fail to comply with the covenants contained herein, including specifically the rate covenant in Subsection D of this Section, within any of the next five (5) Fiscal Years.

(3) The Issuer may sell or dispose of any properties or parts of the Airport Facilities which the Airport Consultant shall certify in writing are not necessary for the continued operation of the Airport Facilities and that the sale or disposal of which will not adversely affect the Net Revenues to be derived from the Airport Facilities to such an extent that, after application of the proceeds of sale, the Issuer will fail to comply with the covenants contained herein, including specifically the rate covenant in Subsection D of this Section, within any of the next five (5) Fiscal Years.

(4) The proceeds derived from any sale or disposal of any properties or parts of the Airport Facilities as provided for in the above paragraphs (1) and (3) shall, in the discretion of the Issuer, be (i) used exclusively for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the Airport Facilities and for unusual or extraordinary repairs thereto, or for the construction or acquisition of additions, extensions and improvements to the Airport Facilities, or (ii) applied for the purchase or retirement of the Bonds then outstanding. However, if the Airport Consultant certifies that proceeds are necessary for the purposes stated in clause (i) above, such proceeds shall be used solely for such purpose until such certified requirements are satisfied, and the proceeds shall not be used for any other purpose allowed by this Resolution.

(5) Any provision hereof to the contrary notwithstanding, the Issuer may, with the written consent of the applicable Municipal Insurer, if any, lease, convey or transfer the Airport Facilities to any public agency of the State of Florida, provided that such public agency shall assume in writing the obligations of the Issuer hereunder and the Issuer shall have filed with the City Clerk an opinion of nationally recognized Bond Counsel to the effect that such transaction will not adversely affect the exclusion of gross income of interest on the Bonds for purpose of Federal income taxation.

I. OPERATION AND MAINTENANCE OF AIRPORT FACILITIES. The Issuer will maintain or cause to be maintained the Airport Facilities and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

J. COMPLIANCE WITH FEDERAL GRANT ASSURANCES. The Airport and City will at all times comply with the requirements of the Federal Grant Assurances.

K. INSURANCE. The Issuer will carry or cause to be carried adequate fire, windstorm and explosion insurance on all buildings and structures of the works and properties of the Airport Facilities which are subject to loss through fire, windstorm or explosion, will carry or cause to be carried adequate public liability insurance, and will otherwise carry or cause to be carried insurance of all kinds and in the amounts normally carried in the operation of similar facilities and properties in the State of Florida, including use and occupancy insurance; provided, that in lieu of insurance, the Issuer may establish a qualified plan of self-insurance in accordance with the laws of the State of Florida. Any such insurance shall be carried for the benefit of the Issuer and the Bondholders. All moneys received for losses under any of such insurance, except public liability, are hereby pledged by the Issuer as security for the Bonds until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed as soon as practicable.

L. APPLICATION OF CERTAIN SUBSIDY PAYMENTS. Cash subsidy or similar payments made by the U.S. Treasury or other federal or state governmental entity to or on behalf of the Issuer for payments with respect to Bonds shall be deposited upon receipt to the

credit of the account in the Bond Fund from which the payment with respect to which such amount is received will be or has been paid.

M. ENFORCEMENT OF COLLECTIONS. The Issuer will diligently enforce and collect the fees, rentals, and other charges for the services and use of the Airport Facilities, will take all steps, actions and proceedings for the enforcement and collection of such fees, rentals and other charges as shall become delinquent to the full extent permitted or authorized by law, and will maintain accurate records with respect thereof.

N. DEFAULTS AND REMEDIES. (1) It shall be an Event of Default under this Resolution if:

(i) the Issuer shall fail to deposit with the Paying Agent on the due date thereof sufficient funds to pay maturing principal and interest on the Bonds;

(ii) the Issuer shall fail to deposit into the Bond Amortization Account any Amortization Installment on the due date thereof;

(iii) the Issuer shall fail to call for redemption any Term Bonds subject to mandatory redemption, in accordance with the provisions of this Resolution;

(iv) the Issuer shall fail to deposit or pay within ten (10) days after the due date thereof any other required deposit or payment under this Resolution;

(v) the Issuer shall fail to comply with any other covenant made in this Resolution, which failure shall continue for more than thirty (30) days, or in the case of a failure which cannot be rectified within thirty (30) days, shall fail to diligently correct such failure;

(vi) there shall occur the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or the adjudication of the Issuer as a bankrupt, or the assignment by the Issuer for the benefit of its creditors, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization, instituted under the provisions of the Federal Bankruptcy Act, as amended, or any similar act in any jurisdiction which may now be in effect or hereinafter amended; or

(vii) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Airport Facilities, or any part thereof or of the rents, fees, charges or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof.

(2) Any Bondholder (including the Municipal Insurer, if any) or any trustee acting for the Bondholders by petition of not less than 20% of such Bondholders, may, upon the occurrence of an Event of Default under this Resolution, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable statutes to be performed by the Issuer or by any officer thereof.

(3) Nothing herein, however, shall be construed to grant to any Bondholder any lien on the Airport Facilities or any real or personal tangible property of the Issuer.

O. OPERATING BUDGET. The Issuer shall annually prepare, approve, and adopt by resolution, a budget of the estimated expenditures for operation and maintenance of the Airport Facilities during such next succeeding Fiscal Year. No particular item of expenditure for the operation and maintenance of the Airport Facilities shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a finding and recommendation by the duly authorized officer in charge thereof, as described in the annual budget resolution adopted by the City Council each year. The aggregate expenditures for operation and maintenance of the Airport Facilities shall not be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the duly authorized officer in charge thereof, which finding and recommendation shall state in detail the purpose of and necessity for such increased aggregate expenditures for the operation and maintenance of the Airport Facilities. On written request, the Issuer shall provide copies of such annual budgets and all resolutions authorizing increased aggregate expenditures for operation and maintenance to any nationally recognized rating service which publishes a rating on the Bonds and to any Bondholder.

P. ISSUANCE OF ADDITIONAL OBLIGATIONS. The Issuer will not issue any other obligations, except under the conditions and in the manner provided herein, payable from the Pledged Funds, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Bonds and the interest thereon upon the Pledged Funds. Any other obligations issued by the Issuer, in addition to the Bonds or Additional Parity Bonds provided for in Subsection P below, payable from the Pledged Funds, shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to lien on, source and security for payment from the Pledged Funds.

Q. ADDITIONAL PARITY BONDS. The Issuer reserves the right to issue Additional Parity Bonds payable from and secured by a pledge of the Pledged Funds. Any such Additional Parity Bonds may be issued for the purpose of financing the acquisition and construction of extensions, additions and improvements to the Airport Facilities or for the

purpose of refunding any obligations theretofore issued for such purposes or for completion of any Project, all in accordance with this Section.

(1) The Issuer may issue Additional Parity Bonds for the construction and acquisition of additions, extensions and improvements to the Airport Facilities ("Improvements") subject to the following conditions:

(a) There shall have been obtained and filed with the Issuer a certificate of the Finance Director:

(i) setting forth the amount of Net Revenues and Available Revenues received by the issuer for a period of any twelve (12) consecutive months out of the twenty-four (24) months immediately preceding the date of delivery of such Additional Parity Bonds with respect to which such certificate is made; and

(ii) stating that such Net Revenues, plus Available Revenues, during such period were at all times at least equal to 1.25 times the Annual Debt Service Requirement on the Bonds; and

(b) There shall have been obtained and filed with the Issuer a certificate of the Finance Director stating that (i) the Net Revenues, plus Available Revenues, for the period described in paragraph a(i) above were equal at least 1.30 times the Annual Debt Service Requirement on all Bonds then outstanding and for the proposed Additional Parity Bonds for each of the three Fiscal Years succeeding the dates on which the improvements to be financed with the Additional Parity Bonds proposed to be issued are expected to be completed, or (ii) there shall be filed with the Issuer a report of the Airport Consultant stating that the Projected Net Revenues, plus Available Revenues, as adjusted pursuant to paragraph (c) below, for each of the first five (5) Fiscal Years succeeding the date of issuance of the Additional Parity Bonds proposed to be issued or for each of the first three Fiscal Years succeeding the dates on which the improvements to be financed with the Additional Parity Bonds proposed to be issued are expected to be completed, whichever is later, will equal at least 1.25 times the Annual Debt Service Requirement on all Bonds then outstanding and for the proposed Additional Parity Bonds. In computing the Annual Debt Service Requirement, there may be excluded any amount of interest due which is capitalized, the funds for which will be on deposit, and interest income accruing thereon, in the Principal and Interest Account of the Bond Fund on the date of issuance of the Additional Parity Bonds.

(c) Upon recommendation of the Airport Consultant, the Net Revenues and Available Revenues projected pursuant to the previous subparagraph (b) may be adjusted for purposes of this Subsection as follows: (1) to reflect, for the period for which such Net Revenues and/or Available Revenues are being projected, any rate increases which shall have been promulgated subsequent to the date of commencement of such period and prior to the date of such certificate; (2) to reflect any increase in such Net Revenues and/or Available Revenues caused by any new Projects which shall have been placed into use and operation subsequent to

the date of commencement of such period and prior to the date of such certificate; (3) to include the estimated average annual Net Revenues and/or Available Revenues to be derived during such period from the operation of the project to be acquired out of the proceeds of the Additional Parity Bonds with respect to which such certificate is made and (4) to include the estimated average annual Net Revenues and/or Available Revenues to be derived from the operation of any other Project under construction on the date of such certificate or completed but not placed into use and operation on the date of such certificate.

(d) Each resolution authorizing the issuance of Additional Parity Bonds will recite that all of the covenants contained in this Resolution will be applicable to such Additional Parity Bonds and shall set forth or provide for the designation of Amortization Installments applicable to such Additional Parity Bonds and whether such Additional Parity Bonds are to be secured by the Reserve Fund or a separate account therein and, if applicable, the Reserve Requirement with respect thereto.

(e) Except with respect to the issuance of refunding bonds, the Issuer shall not be in default in performing any of the covenants and obligations assumed under this Resolution, and all payments required by this Resolution to have been made into the accounts and funds, as provided hereunder, shall have been made to the full extent required.

(2) Additional Parity Bonds may be issued to refund the Bonds or any portion thereof if either (a) the Maximum Annual Debt Service Requirement following such refunding shall not be increased, (b) the aggregate of all Annual Debt Service Requirements following such refunding shall be lower than prior to such refunding, or (c) the Issuer shall comply with the conditions in paragraph (2)(a), (b) and (c) above.

(3) Additional Parity Bonds may be issued to complete a Project initially financed with Bonds without application of paragraph (1) hereof if the principal amount of such Additional Parity Bonds does not exceed 10% of the aggregate principal amount of the Bonds originally issued to finance such Project.

(4) In addition to Additional Parity Bonds permitted by (1), (2) (3) and (4) above, Additional Parity Bonds may be issued to construct capital improvements to the Airport Facilities if such obligations have a stated maturity of 365 calendar days or less (the "Short-Term Bonds"), provided, that (a) the Issuer complies with paragraph (1)(a) hereof, and (b) immediately after issuance of such Short-Term Bonds, the outstanding principal amount of such Short-Term Bonds will not exceed 10% of the Airport Revenues for the most recent Fiscal Year preceding the date of issuance of such Short-Term Bonds for which audited financial statements are available.

R. CONSULTING ENGINEERS AND AIRPORT CONSULTANT. The Issuer will retain a qualified and recognized firm of Consulting Engineers to perform engineering services related to the supervision of the acquisition and construction of a Project. After the completion thereof the Issuer shall retain such Consulting Engineers from time to time as

necessary to comply with the requirements of this Resolution to inspect and to make reports of the Airport Facilities and the maintenance thereof. The term "Consulting Engineers" shall include architects wherever the context of this Resolution so requires. The Issuer will retain an Airport Consultant to perform consulting services related to the Airport development, operation and management during development of a Project and from time to time following completion of such Project as necessary to comply with the requirements of this Resolution.

S. NO COMPETING FACILITIES. To the extent permitted by law, the Issuer will not grant, cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatever, for the operation of any business or furnishing of any services similar in nature to those performed by the Issuer which in the opinion of the Airport Consultant would materially adversely affect the amount of the Airport Revenues to be received by the Issuer from the operation of its Airport Facilities. The Issuer will not acquire or construct any project, to be financed or paid for from funds other than the proceeds of Additional Parity Bonds, if in the opinion of the Airport Consultant the operation of such project will materially adversely affect the Issuer's receipt of the Airport Revenues.

T. NO FREE SERVICES. The Issuer will not render or cause to be rendered free services of any nature by the Airport Facilities; provided, however, that the Issuer may permit use of Airport Facilities without fee by the United States of America or by the State of Florida, provided, further that in such event the Issuer shall use its best efforts to negotiate and obtain from such governmental entities reasonable rates, rentals, fees and other charges. Except as aforesaid, in the event the Issuer or any other public body, agency, instrumentality or any department thereof, shall avail itself of and use the Airport Facilities or any part thereof, reasonable rates, rentals, fees or other charges shall be paid by such governmental agency. Such charges shall be paid as they accrue, and the income so received shall be deemed to be Airport Revenues. The Issuer shall require all lessees and licensees to observe and enforce the provisions of this subsection.

U. ISSUER TO COMPLY WITH ALL LEASE TERMS AND PROVISIONS. The Issuer shall make its best efforts to perform all acts and comply fully with all of the material terms and conditions required pursuant to the material terms of all leases to which the Issuer is a party and from which the Issuer derives Airport Revenues.

V. USE OF ADDITIONAL FUNDS FOR DEBT PAYMENT. Subject to the provisions of the Florida Constitution, nothing herein contained shall preclude the Issuer from using any legally available funds, in addition to the Pledged Funds herein provided, which may come into its possession, including but not limited to the proceeds of sale of any series of Bonds, contributions or grants, for the purpose of payment of principal of and interest on the Bonds, or the payment of Amortization Installments, if any, or the purchase or redemption of such Bonds in accordance with the provisions of this Resolution., However, nothing herein shall be deemed to require or obligate the Issuer to use or apply such other legally available funds for such purpose or to create any lien therein.

W. PASSENGER FACILITY CHARGES. The Issuer covenants that it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the Issuer, and all provisions of the PFC Approvals and that it will not take any action or omit to take any action with respect to the PFC Revenues, the Airport Facilities, the Airport or otherwise if such action or omission would, pursuant to the PFC Act, the PFC Regulations or the PFC Approvals, cause the termination of the authority to impose Passenger Facility Charges or prevent the use of Available PFC Revenues as contemplated by this Resolution and the PFC Approvals. The Issuer covenants that all PFC Revenues will be used in compliance with all provisions of the PFC Act, the PFC Regulations and the PFC Approvals applicable to the Issuer. Without limiting the generality of the foregoing, the Issuer covenants that the extent necessary to comply with the foregoing covenant:

(a) it (i) will impose the Passenger Facility Charges to the full extent authorized by the PFC Approvals, and (ii) it will not unilaterally decrease the level of the Passenger Facility Charges to be collected from any passenger;

(b) it will not impose any noise or access restriction at the Airport not in compliance with the Airport Noise and Capacity Act of 1990, Pub L 101-508, Title IX, Subtitle D;

(c) it will take all action reasonably necessary to cause all collecting air carriers to collect and promptly remit to the Issuer the Passenger Facility Charges with respect to the Airport Facilities required by the PFC Act, the PFC Regulations and the PFC Approvals to be so collected and remitted; and

(d) it will contest any attempt by the FAA to terminate or suspend the authority to impose, receive or use the Passenger Facility Charges prior to the charge expiration date as defined in the PFC Approvals or the date total approved Passenger Facility Charges have been collected.

X. AVAILABLE REVENUES.

(1) At any time and from time to time, the Issuer, without the consent of Registered Owner of any Bond or any Credit Provider, may by or pursuant to a supplemental resolution, (1) specify the amount of Passenger Facility Charges that shall constitute Available PFC Revenues, the amount of Customer Facility Charges that constitute Available CFC Revenues or the amount of such other revenue source that shall constitute Available Revenues during such Fiscal Year, or (2) specifies Bonds that shall be secured by Available Revenues. More than one Series of Bonds may be secured by Available Revenues, and no consent from the Registered Owner of any Bond or any Credit Provider, shall be required as a condition to the issuance or incurrence of any Bonds that are secured by Available Revenues. Notwithstanding any other provision of this Resolution, the Issuer may amend (including reduce) the amount of Available Revenues specified pursuant to clause (1) above with respect to any Fiscal Year without the consent of the Registered Owner of any Bond or any Credit Provider; provided that the Issuer

shall be in compliance with the terms of this Resolution and the supplemental resolution specifying the amount of Available Revenues that secure Bonds.

(2) Notwithstanding any other provision of this Resolution, (1) the Available Revenues shall secure on a *pari passu* basis, all Bonds, whenever issued, that are specified in the applicable supplemental resolution to be secured by Available Revenues.

SECTION 17. SPECIAL PURPOSE BONDS.

A. The construction or acquisition of Special Purpose Facilities is hereby authorized under and pursuant to the terms and conditions hereinafter set forth in this Section.

B. Before any Special Purpose Facilities shall be constructed or acquired by the Issuer with proceeds of Special Purpose Bonds, (i) there shall be filed with the Issuer a report of the Airport Consultant to the effect that (1) it is reasonably expected that the operation of such facilities will not result in a reduction of Net Revenues for the first complete Fiscal Year after completion of more than ten percent (10%) of Net Revenues for the preceding Fiscal Year, and (2) such facilities are not of a type or design that the subsequent closing thereof (with the functions thereof not provided by a substitute facility) will materially impair the general operations of the Airport, the Issuer, pursuant to this Section, shall adopt a resolution describing in reasonable detail sufficient for identification thereof, the Special Purpose Facilities to be constructed or acquired by the Issuer, authorizing the issuance of Special Purpose Bonds to finance the cost of construction or acquisition of such Special Purpose Facilities and prescribing the rights, duties, remedies and obligations of the Issuer and the owners, from time to time, of such Special Purpose Bonds.

C. The Special Purpose Bonds authorized by the resolution referred to above shall be revenue bonds payable solely from (i) the Subordinate Securities Fund, or (ii) sources other than the Pledged Funds. Special Purpose Bonds may be issued by the Issuer notwithstanding the limitations, restrictions and conditions contained in this Resolution relating to the issuance of Additional Parity Bonds or other obligations; provided, however, that no Special Purpose Bonds shall be payable from the Pledged Funds on a parity with the Bonds, and provided further that the Issuer shall not pay from the Pledged Funds operation and maintenance expenditures for such Special Purpose Facilities.

D. After such Special Purpose Bonds have been fully paid and retired, all rentals and other charges derived by the Issuer from any lease or leases relating to the Special Purpose Facilities constructed or acquired with the proceeds of such Special Purpose Bonds shall be deemed to be part of the Airport Revenues of the Issuer and shall be used and applied by the Issuer in the same manner as the Airport Revenues are herein required to be used and applied and all costs of operating and maintaining such Special Purpose Facilities not paid for by the lessee thereof shall be deemed to be Operation and Maintenance Expenses of the Issuer, and the Special Purpose Facilities shall thereafter be deemed to be part of the Airport Facilities.

SECTION 18. TAX COMPLIANCE. The Issuer shall not use the proceeds of the Bonds, or any series thereof in any manner which would cause the interest thereon not to be excludable from gross income for federal income tax purposes. The Issuer covenants that neither the Issuer nor any person under its control or direction will make any use of the proceeds of the Bonds or any series thereof in any manner which would cause such Bonds to be “arbitrage bonds” within the meaning of the Code and neither the Issuer nor any person under its control shall do any act or fail to do any act which would cause interest on the Bonds or any series thereof to be subject to inclusion in gross income for federal income tax purposes. The Issuer covenants that it will comply with all provisions of the Code necessary to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code. The provisions of this Section 17 shall not apply to any Bonds which were issued as taxable Bonds.

SECTION 19. DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest, Amortization Installments and redemption premiums, if any, with respect to all or any part of the Bonds, then, and in that event, the pledge of and lien on the Pledged Funds, and all other covenants and pledges made in this Resolution in favor of the Bondholders of such Bonds shall no longer be in effect. For purposes of the preceding sentence, deposit of cash, Federal Securities or Prerefunded Obligations in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, in respect to which such Federal Securities or Prerefunded Obligations, and the principal and interest received will be sufficient to make timely payment of the principal, interest, Amortization Installments and redemption premium, if any, on the outstanding Bonds, shall be considered “provision for payment” hereunder. Nothing herein shall be deemed to require the Issuer to call any of the outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 20. MUNICIPAL INSURER. In the event one or more series of the Bonds are insured under or otherwise secured by a credit facility from a Municipal Insurer then with respect to such series of Bonds, the Municipal Insurer shall be deemed for purposes of this Resolution to be the Bondholders of the Bonds secured by such credit facility with respect to consents, modification or amendments, and remedies.

SECTION 21. MODIFICATION OR AMENDMENT. No material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the owners of fifty one percent (51%) or more in principal amount of the Bonds outstanding on the effective date of such amendment affected by such amendment (which consent may be obtained upon the issuance of Bonds by inclusion of consent in the form of the Bonds); provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the Issuer to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due from the Pledged Funds or reduce the percentage of the Registered Owners of the Bonds required to

consent to any material modification or amendment hereof, without the consent of the Registered Owners of all such Bonds. This Resolution may be modified or amended without the consent of the Registered Owners for any of the following:

(1) To add to the covenants and agreements of the Issuer in this Resolution, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(2) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(3) To add to the events of default in this Resolution additional events of default and provide additional remedies with respect to such additional events of default or the events of default set forth in this Resolution;

(4) To authorize, in compliance with all applicable law, Bonds to be issued in the form of Bonds issued and held in book-entry form on the books of the Issuer, the Registrar, or any fiduciary appointed for that purpose by the Issuer and, in connection therewith, make such additional changes herein, not adverse to the rights of the Registered Owners of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds and specify and determine the matters and things relative to the issuance of such book-entry, form Bonds as are appropriate or necessary;

(5) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Resolution of the Pledged Funds or of any other monies, securities or fund;

(6) To cure any ambiguity, supply an omission, or cure or correct any defect or inconsistent provision in this Resolution;

(7) To insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable and are not contrary to or inconsistent with this Resolution as theretofore in effect;

(8) To add additional security as part of the Pledged Funds subject to the lien of this Resolution;

(9) To authorize the issuance of Additional Parity Bonds of the Issuer, provided the Issuer has complied with the applicable provisions of this Resolution;

(10) To enable the Issuer to issue taxable Bonds; and

(11) To make any other modification or amendment of this Resolution which the Issuer shall in its sole discretion have determined will not have a material adverse effect on the interest of Bondholders.

SECTION 22. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

SECTION 23. REPEALING CLAUSE. All Resolutions of the Issuer or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded and repealed.

[Remainder of page intentionally left blank]

SECTION 24. EFFECTIVE DATE. This Resolution shall become effective on the later to occur of (a) the fifth Business Day after adoption, unless otherwise provided by Section 4.03 of the City Charter of the City of Pensacola and (b) receipt of written consent to this amended and restated Resolution by the registered owners of the Outstanding Obligations.

Adopted: _____, 2025

[SEAL]

Approved: _____
Council President

ATTEST:

City Clerk

EXHIBIT "A"

(Form of Bonds)

No. R-

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF PENSACOLA
AIRPORT REVENUE BOND, SERIES ____**

Rate of Interest

Maturity Date

Dated Date

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of Pensacola, Florida, a municipal corporation of the State of Florida (hereinafter called "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount shown above, solely from the revenues hereinafter mentioned, and to pay solely from such revenues, interest on said sum from the date of this Bond or from the most recent interest payment date to which interest has been paid, at the Rate of Interest per annum set forth above until the payment of such principal sum, such interest being payable on _____, _____, and semiannually thereafter on the first day of _____ and _____ in each year. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof on the date fixed for maturity or redemption at the designated office of _____ in _____, _____ (the "Registrar" and "Paying Agent"), or at the office designated for such payment of any successor thereof. The interest on this Bond, when due and payable, shall be paid by check or draft mailed to the Registered Owner, at his address as it appears on the bond register of the Registrar, at the close of business on the Record Date or, in the case of payment after default, a special record date, except that the Registrar will, at the request of any Registered Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds, make payments of interest on such Bonds by wire transfer to the account designated by such Registered Owner to the Registrar in writing at least five (5) Business Days before the Record Date of such payments, as provided in the Resolution hereinafter mentioned. All amounts due hereunder shall be payable in any coin or currency of the United States which is at the time of payment legal tender for the payment of public or private debts.

This Bond is one of a duly authorized issue of Bonds of the Issuer designated "Airport Revenue Bonds, Series ____" in the aggregate principal amount of \$_____, of like date, tenor and effect, except as to number, maturity, interest rate and redemption provisions, issued to [finance or refinance the cost of the Project], as defined in the Resolution hereinafter mentioned, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapters 166 and 332, Florida Statutes, as amended, the Charter of the Issuer effective January 1, 2010, and other applicable provisions of law, and pursuant to Resolution No. _____, duly adopted by the Issuer on _____, 20__, as amended and supplemented (hereinafter collectively called the "Resolution"), and is subject to all the terms and conditions of such Resolution, the provisions of which are incorporated herein by reference. All terms used herein in capitalized form and not otherwise defined shall have the definitions ascribed thereto pursuant to the Resolution.

This Bond and the issue of Bonds of which it is a part are limited obligations of the Issuer payable solely from and secured by a prior lien upon and pledge of the Pledged Funds in the manner and to the extent provided in the Resolution.

This Bond does not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. Neither the State of Florida nor any political subdivision thereof, nor the Issuer shall be obligated (1) to exercise its ad valorem taxing power or any other taxing power in any form to pay the principal of the Bonds, the premium, if any, the interest thereon, or to make any of the required sinking fund, reserve or other payments or costs incident thereto or (2) to pay the same from any other funds of the Issuer, except from the Pledged Funds, in the manner provided herein and in the Resolution. It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien on the Project or any other property of the Issuer, but shall constitute a lien only on the Pledged Funds, in the manner provided in the Resolution.

The Bonds maturing on or before _____ 1, ____ are not subject to redemption. The Bonds maturing on _____ 1, ____ and thereafter are subject to redemption prior to maturity at the option of the Issuer on and after _____ 1, ____, in whole at any time, and in part on any interest payment date, at the redemption prices set forth below expressed in percentages of the principal amount of Bonds to be redeemed plus accrued interest to the redemption date. In the event of any redemption of less than all outstanding Bonds, any maturity or maturities of Bonds to be redeemed shall be selected by the Registrar at the direction of the Issuer. If less than all of the Bonds of the same maturity are to be redeemed, the Registrar shall select the Bonds to be redeemed by lot in such manner as the Registrar may determine.

**Redemption Dates
(Both Dates Inclusive)**

Redemption Price

_____ through _____	_____ %
_____ through _____	_____ %
_____ through _____	_____ %
_____ and thereafter	

The Bonds maturing _____ 1, ____ and _____ 1, ____ ("Term Bonds") are subject to mandatory redemption from sinking fund payments prior to their respective maturity dates, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, beginning on _____ 1 ____, and _____ 1, ____, respectively, and on each _____ 1 thereafter in the years and principal amounts set forth below:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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[INSERT DESCRIPTION OF AUTHORIZED DENOMINATIONS] Notice of redemption identifying the Bonds or portions thereof to be redeemed will be given by the Registrar as provided in the Resolution. All Bonds so called for redemption will cease to bear interest after the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time.

In and by the Resolution the Issuer has covenanted and agreed with the Registered Owners that it will fix, establish, maintain and collect such rates, fees, rentals and other charges for the use and services of the Airport Facilities and revise the same from time to time whenever necessary, as will always provide Net Revenues, plus Available Revenues sufficient to pay one hundred twenty-five per centum (125%) of the current Annual Debt Service Requirement and as will always provide Airport Revenues, plus Available Revenues sufficient to pay all reserve and other payments provided for in the Resolution and all other obligations and indebtedness payable out of the revenues of such Airport Facilities and that such rates, fees, rentals and other charges shall not be reduced so as to be insufficient to provide adequate Airport Revenues for such purposes. The Issuer has entered into certain other covenants and agreements respecting the Bonds, as to which reference is made to the Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds of this issue does not violate any constitutional or statutory limitations or provisions.

Subject to the provisions of the Resolution respecting registration, this Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities, being Chapter 678, Florida Statutes, as amended.

Subject to the limitations and upon payment of the charges provided in the Resolution, Bonds may be exchanged for a like aggregate Principal Amount of Bonds of the same maturity of other authorized denominations, and are transferable by the Registered Owner in person or by his attorney duly authorized in writing at the above-mentioned office of the Registrar.

The Issuer shall deem and treat the Registered Owner hereof as the absolute - Owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer shall not be affected by any notice to the contrary.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication endorsed hereon shall have been duly signed by the Registrar.

IN WITNESS WHEREOF, the City of Pensacola, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Mayor and countersigned by the City Manager and attested by the manual or facsimile signature of Its City Clerk, and its official seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, as of _____ 1, 20__.

CITY OF PENSACOLA, FLORIDA

(SEAL)

Mayor

Attested:

Approved as to Substance:

City Clerk

By: _____
Finance Director

Legal in Form and Valid as Drawn:

By: _____
City Attorney

CERTIFICATE OF AUTHENTICATION OF REGISTRAR

This Bond is one of the Issue of the within described Bonds. The Rate of Interest, Maturity Date, Registered Owner and Principal Amount shown above are correct in all respects and have been recorded, along with the applicable federal taxpayer identification number and the address of the Registered Owner, in the bond register maintained at the principal offices of the undersigned.

Registrar

Date of Registration and Authentication:

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____

(the "Transferor"), hereby sells, assigns, and transfers unto _____

_____ (Please insert name and Social Security or Federal Employer Identification
number of assignee) the within bond and all rights thereunder, and hereby irrevocably constitutes
and appoints _____

(the "Transferee") as attorney to register the transfer of the within Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed
by a member firm of the New York Stock
Exchange or a commercial bank or a trust
company.

NOTICE: No transfer will be registered and no
new Bond will be issued in the name of the
Transferee, unless the signature(s) to this
assignment corresponds with the name as it
appears upon the face of the within Bond in every
particular, without alteration or enlargement or
any change whatever and the Social Security or
Federal Employer Identification Number of the
Transferee is supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common	UNIF GIF MIN ACT - _____ (Cust.)
TEN ENT	-	as tenants by the entireties	Custodian for _____ (Minor)
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors of _____ (State)

Additional abbreviations may also be used though not in list above.

(Form of Capital Appreciation Bonds)

THE HEADINGS AND THE FIRST PARAGRAPH OF THE CAPITAL APPRECIATION BONDS SHALL READ AS FOLLOWS, AND THE REMAINDER OF SUCH FORM SHALL BE THE SAME AS FOR OTHER BONDS:

No. CA-

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF PENSACOLA
AIRPORT REVENUE BOND, SERIES _____

Annual Yield
Approximate

Original Principal
Amount

Maturity Date

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of Pensacola, Florida, a municipal corporation of the State of Florida (hereinafter called "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount shown above, solely from the revenues hereinafter mentioned. The Original Principal Amount identified above will accrete from the Date of Issue at the approximate Annual Yield identified above subject to the rounding of the Accreted Values), compounded as determined by the resolution hereinafter mentioned. The Accreted Value will be paid on the Maturity Date or upon earlier redemption) but only upon presentation and surrender of this Bond, provided that at maturity or upon earlier redemption hereof, the Accreted Values (per \$_____ Maturity Amount) as set forth in the Table of Accreted Values on the reverse side of this Bond shall determine the total amount due (per \$_____ Maturity Amount) to the Maturity Date or date of redemption. Principal of, premium, if any, and interest on this Bond are payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public or private debts. The Accreted value of this Bond shall be payable upon presentation and surrender hereof on the maturity Date or the date fixed for redemption at the corporate trust office of _____ in _____ (the "Registrar" and paying agent), or at the office designated for such payment of any successor thereof.

(See Form of _____ Bonds)

AIRPORT REVENUE BOND RESOLUTION

PENSACOLA INTERNATIONAL AIRPORT

ADOPTED _____, 2025

BY THE CITY OF PENSACOLA, FLORIDA

“Municipal Bond Insurance Policy” shall mean a municipal bond insurance policy issued by a Municipal Insurer simultaneously with the delivery of a series of Bonds, insuring the payment of the principal of and interest on such series of Bonds in accordance with the terms thereof.

“Municipal Insurer” shall mean a nationally recognized financial institution which issues a letter of credit, bond insurance policy or other guaranty of the payment of principal and interest on Bonds.

“Net Revenues” or **“Net Revenues of the Airport Facilities”** shall mean Airport Revenues after deduction of Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” shall mean the Issuer's annual expenses (paid or accrued) of operating, maintaining, repairing, and administering the Airport, including the Issuer's overhead allocable to the Airport and including capital outlays other than for capital improvements; taxes; and assessments and judgments, if any, if final and not subject to appeal or otherwise contested in good faith; and expenses for defending, settling, or satisfying litigation, as set forth in the current annual budget determined in accordance with generally accepted accounting principles, but excluding any such expenses paid with Customer Facility Charges. The categories of overhead expense allocable by the Issuer to the Airport shall also be determined in accordance with recognized accounting practices. Operation and Maintenance Expenses shall not include any allowance for depreciation, renewals or extensions or any charges for the accumulation of reserves for capital replacements, renewals or extensions or, in the discretion of the Issuer, other non-cash expenses; provided, however, that if the Issuer shall convey, lease or license the Airport Facilities, or any part thereof, under terms providing for the payment of net rentals to the Issuer and whereby the lessee or licensee pays part or all of the cost of operation and maintenance, then the part of such cost of operation and maintenance paid by such lessee or licensee shall not be included under the term Operation and Maintenance Expenses. Operation and Maintenance Expenses shall not include operating or maintenance expenses of Special Purpose Facilities, except to the extent hereinafter expressly provided therein.

“Operation and Maintenance Fund” shall mean the fund designated and created pursuant to Section 16A(ii) hereof.

“Operation and Maintenance Reserve Account” shall mean the account in the Operation and Maintenance Fund designated and created pursuant to Section 16A(ii) hereof.

~~**“Outstanding Obligations” shall mean _____.**~~

“Outstanding Obligations” shall mean the outstanding City of Pensacola, Florida Airport Refunding Revenue Note, Series 2015, City of Pensacola, Florida Airport Refunding Revenue Note, Series 2017 and City of Pensacola, Florida Airport Refunding Revenue Note, Series 2018.

Credit or a Reserve Fund Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the Issuer into the Revenue Fund.

Upon the issuance of any series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the Reserve Fund or the applicable Account therein in an amount at least equal to the Reserve Requirement, if any, applicable to such Series of Bonds. Such required amount, if any, shall be paid in full or in part from the proceeds of such series of Bonds or may be accumulated in equal monthly payments to the Reserve Fund over a period of months from the date of issuance of such series of Bonds, which shall not exceed 36 months. In the event moneys in the Reserve Fund are accumulated as provided above, (a) the amount in said Reserve Fund on the date of delivery of the Additional Parity Bonds shall not be less than the Reserve Requirement on all Bonds then outstanding (excluding the Additional Parity Bonds) on such date, and (b) the incremental difference between the Reserve Requirement on all Bonds then outstanding (excluding the Additional Parity Bonds) on the date of delivery of the Additional Parity Bonds and the Reserve Requirement on all such Bonds and the Additional Parity Bonds shall be 50% funded upon delivery of the Additional Parity Bonds.

Notwithstanding the foregoing provisions, in lieu of or in substitution of the required deposits into the Reserve Fund, the Issuer may cause to be deposited into the Reserve Fund a Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Requirement applicable thereto and the sums then on deposit in the Reserve Fund, if any. The Issuer may also substitute a Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit for cash on deposit in the Reserve Fund upon compliance with the terms of this Section 16B(3). Such Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any principal maturity date, interest payment date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. The provider of such Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit shall, at the time of delivery thereof, be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, or the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories) by a Rating Agency at the time of issuance of such Reserve Fund Insurance Policy, or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating by a Rating Agency in one of the three highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories) at the ~~time~~time of issuance of such Reserve Fund Letter of Credit. Any Reserve Fund Insurance Policy and/or Reserve Fund Letter of Credit shall equally secure all Bonds except to the extent a series of Bonds is secured by an account in the Reserve Fund which is pledged solely for the payment of such series of Bonds or is designated to not be secured by the Reserve Fund or any accounts therein as provided in the last paragraph of this Section 16B(3).

If two days prior to an interest or principal payment date, or such other period of time as shall be required by the terms of the Reserve Fund Insurance Policy or Reserve

(4) The proceeds derived from any sale or disposal of any properties or parts of the Airport Facilities as provided for in the above paragraphs (1) and (3) shall, in the discretion of the Issuer, be (i) used exclusively for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the Airport Facilities and for unusual or extraordinary repairs thereto, or for the construction or acquisition of additions, extensions and improvements to the Airport Facilities, or (ii) applied for the purchase or retirement of the Bonds then outstanding. However, if the Airport Consultant certifies that proceeds are necessary for the purposes stated in clause (i) above, such proceeds shall be used solely for such purpose until such certified requirements are satisfied, and the proceeds shall not be used for any other purpose allowed by this Resolution.

(5) Any provision hereof to the contrary notwithstanding, the Issuer may, with the written consent of the applicable Municipal Insurer, if any, lease, convey or transfer the Airport Facilities to any public agency of the State of Florida, provided that such public agency shall assume in writing the obligations of the Issuer hereunder and the Issuer shall have filed with the City Clerk an opinion of nationally recognized Bond Counsel to the effect that such transaction will not adversely affect the exclusion of gross income of interest on the Bonds for purpose of Federal income taxation.

I. OPERATION AND MAINTENANCE OF AIRPORT FACILITIES. The Issuer will maintain or cause to be maintained the Airport Facilities and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

~~J. — Compliance with Federal Grant Assurances.~~ J. COMPLIANCE WITH FEDERAL GRANT ASSURANCES. The Airport and City will at all times comply with the requirements of the Federal Grant Assurances.

K. INSURANCE. The Issuer will carry or cause to be carried adequate fire, windstorm and explosion insurance on all buildings and structures of the works and properties of the Airport Facilities which are subject to loss through fire, windstorm or explosion, will carry or cause to be carried adequate public liability insurance, and will otherwise carry or cause to be carried insurance of all kinds and in the amounts normally carried in the operation of similar facilities and properties in the State of Florida, including use and occupancy insurance; provided, that in lieu of insurance, the Issuer may establish a qualified plan of self-insurance in accordance with the laws of the State of Florida. Any such insurance shall be carried for the benefit of the Issuer and the Bondholders. All moneys received for losses under any of such insurance, except public liability, are hereby pledged by the Issuer as security for the Bonds until and unless such proceeds are used to remedy the loss or damage for which such proceeds are received, either by repairing the property damaged or replacing the property destroyed as soon as practicable.

L. APPLICATION OF CERTAIN SUBSIDY PAYMENTS. Cash subsidy or similar payments made by the U.S. Treasury or other federal or state governmental entity to or

purpose of refunding any obligations theretofore issued for such purposes or for completion of any Project, all in accordance with this Section.

(1) The Issuer may issue Additional Parity Bonds for the construction and acquisition of additions, extensions and improvements to the Airport Facilities ("Improvements") subject to the following conditions:

(a) ~~(H)~~ There shall have been obtained and filed with the Issuer a certificate of the Finance Director:

(i) setting forth the amount of Net Revenues and Available ~~PFC~~ Revenues received by the issuer for a period of any twelve (12) consecutive months out of the twenty-four (24) months immediately preceding the date of delivery of such Additional Parity Bonds with respect to which such certificate is made; and

(ii) stating that such Net Revenues, plus Available ~~PFC~~ Revenues, during such period were at all times at least equal to 1.25 times the Annual Debt Service Requirement on the Bonds; and

~~(Hb)~~ There shall have been obtained and filed with the Issuer a certificate of the Finance Director stating that (i) the Net Revenues, plus Available ~~PFC~~ Revenues, for the period described in paragraph a(i) above were equal at least 1.30 times the Annual Debt Service Requirement on all Bonds then outstanding and for the proposed Additional Parity Bonds for each of the three Fiscal Years succeeding the dates on which the improvements to be financed with the Additional Parity Bonds proposed to be issued are expected to be completed, or (ii) there shall be filed with the Issuer a report of the Airport Consultant stating that the Projected Net Revenues, plus Available ~~PFC~~ Revenues, as adjusted pursuant to paragraph (c) below, for each of the first five (5) Fiscal Years succeeding the date of issuance of the Additional Parity Bonds proposed to be issued or for each of the first three Fiscal Years succeeding the dates on which the improvements to be financed with the Additional Parity Bonds proposed to be issued are expected to be completed, whichever is later, will equal at least 1.25 times the Annual Debt Service Requirement on all Bonds then outstanding and for the proposed Additional Parity Bonds. In computing the Annual Debt Service Requirement, there may be excluded any amount of interest due which is capitalized, the funds for which will be on deposit, and interest income accruing thereon, in the Principal and Interest Account of the Bond Fund on the date of issuance of the Additional Parity Bonds.

(c) Upon recommendation of the Airport Consultant, the Net Revenues and Available Revenues projected pursuant to the previous subparagraph ~~(Hb)~~ may be adjusted for purposes of this Subsection as follows: (1) to reflect, for the period for which such Net Revenues and/or Available Revenues are being projected, any rate increases which shall have been promulgated subsequent to the date of commencement of such period and prior to the date of such certificate; (2) to reflect any increase in such Net Revenues and/or Available Revenues caused by any new Projects which shall have been placed into use and operation subsequent to

the date of commencement of such period and prior to the date of such certificate; (3) to include the estimated average annual Net Revenues and/or Available Revenues to be derived during such period from the operation of the project to be acquired out of the proceeds of the Additional Parity Bonds with respect to which such certificate is made and (4) to include the estimated average annual Net Revenues and/or Available Revenues to be derived from the operation of any other Project under construction on the date of such certificate or completed but not placed into use and operation on the date of such certificate.

(~~b~~d) Each resolution authorizing the issuance of Additional Parity Bonds will recite that all of the covenants contained in this Resolution will be applicable to such Additional Parity Bonds and shall set forth or provide for the designation of Amortization Installments applicable to such Additional Parity Bonds and whether such Additional Parity Bonds are to be secured by the Reserve Fund or a separate account therein and, if applicable, the Reserve Requirement with respect thereto.

(~~ee~~) Except with respect to the issuance of refunding bonds, the Issuer shall not be in default in performing any of the covenants and obligations assumed under this Resolution, and all payments required by this Resolution to have been made into the accounts and funds, as provided hereunder, shall have been made to the full extent required.

(2) Additional Parity Bonds may be issued to refund the Bonds or any portion thereof if either (a) the Maximum Annual Debt Service Requirement following such refunding shall not be increased, (b) the aggregate of all Annual Debt Service Requirements following such refunding shall be lower than prior to such refunding, or (c) the Issuer shall comply with the conditions in paragraph (2)(a), (b) and (c) above.

(3) Additional Parity Bonds may be issued to complete a Project initially financed with Bonds without application of paragraph (1) hereof if the principal amount of such Additional Parity Bonds does not exceed 10% of the aggregate principal amount of the Bonds originally issued to finance such Project.

(4) In addition to Additional Parity Bonds permitted by (1), (2) (3) and (4) above, Additional Parity Bonds may be issued to construct capital improvements to the Airport Facilities if such obligations have a stated maturity of 365 calendar days or less (the "Short-Term Bonds"), provided, that (a) the Issuer complies with paragraph (1)(a) hereof, and (b) immediately after issuance of such Short-Term Bonds, the outstanding principal amount of such Short-Term Bonds will not exceed 10% of the Airport Revenues for the most recent Fiscal Year preceding the date of issuance of such Short-Term Bonds for which audited financial statements are available.

R. CONSULTING ENGINEERS AND AIRPORT CONSULTANT. The Issuer will retain a qualified and recognized firm of Consulting Engineers to perform engineering services related to the supervision of the acquisition and construction of a Project. After the completion thereof the Issuer shall retain such Consulting Engineers from time to time as

SECTION 18. TAX COMPLIANCE. The Issuer shall not use the proceeds of the Bonds, or any series thereof in any manner which would cause the interest thereon not to be excludable from gross income for federal income tax purposes. The Issuer covenants that neither the Issuer nor any person under its control or direction will make any use of the proceeds of the Bonds or any series thereof in any manner which would cause such Bonds to be “arbitrage bonds” within the meaning of the Code and neither the Issuer nor any person under its control shall do any act or fail to do any act which would cause interest on the Bonds or any series thereof to be subject to inclusion in gross income for federal income tax purposes. The Issuer covenants that it will comply with all provisions of the Code necessary to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code. The provisions of this Section 17 shall not apply to any Bonds which were issued as taxable Bonds.

SECTION 19. DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest, Amortization Installments and redemption premiums, if any, with respect to all or any part of the Bonds, then, and in that event, the pledge of and lien on the Pledged Funds, and all other covenants and pledges made in this Resolution in favor of the Bondholders of such Bonds shall no longer be in effect. For purposes of the preceding sentence, deposit of cash, Federal Securities or Prerefunded Obligations in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, in respect to which such Federal Securities or Prerefunded Obligations, and the principal and interest received will be sufficient to make timely payment of the principal, interest, Amortization Installments and redemption premium, if any, on the outstanding Bonds, shall be considered “provision for payment” hereunder. Nothing herein shall be deemed to require the Issuer to call any of the outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 20. MUNICIPAL INSURER. In the event one or more series of the Bonds are insured under or otherwise secured by a credit facility from a Municipal Insurer then with respect to such series of Bonds, the Municipal Insurer shall be deemed for purposes of this Resolution to be the Bondholders of the Bonds secured by such credit facility with respect to consents, modification or amendments, and remedies.

SECTION 21. MODIFICATION OR AMENDMENT. No material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the owners of fifty one percent (51%) or more in principal amount of the Bonds outstanding ~~as of~~on the effective date of such amendment affected by such amendment (which consent may be obtained upon the issuance of Bonds by inclusion of consent in the form of the Bonds); provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the Issuer to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due from the Pledged Funds or reduce the percentage of the Registered Owners of the Bonds required to

SECTION 24. EFFECTIVE DATE. This Resolution shall become effective on the later to occur of (a) the fifth Business Day after adoption, unless otherwise provided by Section 4.03 of the City Charter of the City of Pensacola and (b) receipt of written consent to this amended and restated Resolution by the registered owners of the Outstanding Obligations.

Adopted: _____, 2025

[SEAL]

Approved: _____
Council President

ATTEST:

City Clerk



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-427

City Council

4/24/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

RESOLUTION NO. 2025-23 - APPROVING THE PENSACOLA STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM LOCAL HOUSING ASSISTANCE PLAN

RECOMMENDATION:

That City Council adopt Resolution No. 2025-23.

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA, APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE CODE; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #1: Attainable Housing for All Income Levels.

Since 1993, the City of Pensacola has participated in the State Housing Initiatives Partnership (SHIP) Program. In order to continue to receive SHIP funding for the upcoming three year period (July 1, 2025-June 30, 2028), the local government must adopt by resolution the 2026-2028 Local Housing Assistance Plan (LHAP) and related supporting documents.

SHIP funds must be used to support affordable housing to include homeownership, repair, and rental strategies with a minimum of 65% of the funds targeting homeownership. A minimum of 30% of the funds must benefit very low-income families at or below 50% of area median income (AMI), with an additional 30% targeted to low income families at or below 80% AMI.

The LHAP outlines the specific eligible housing strategies that will be utilized under the SHIP program to assist low and moderate-income families in the City of Pensacola. The program also serves as the sole source of funding used to meet the 25% local cash match requirement under the HUD HOME Investment Partnerships Act program, which finances homebuyer and substantial reconstruction programs within the City limits.

PRIOR ACTION:

April 14, 2022 - City Council adopted Resolution 2022-032 approving the SHIP Local Housing Assistance Plan.

FUNDING:

N/A

FINANCIAL IMPACT:

City Council's adoption of the LHAP by Resolution is required for the City of Pensacola to be eligible to receive SHIP funds from the Florida Housing Finance Corporation.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

3/18/2025

STAFF CONTACT:

Tim Kinsella, City Administrator
Meredith Reeves, Housing Administrator

ATTACHMENTS:

1. Resolution No. 2025-23
2. 2025-2028 Pensacola Local Housing Assistance Plan

PRESENTATION: No

**RESOLUTION
NO 2025-23**

**A RESOLUTION
TO BE ENTITLED:**

**A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA,
APPROVING THE LOCAL HOUSING ASSISTANCE PLAN AS
REQUIRED BY THE STATE HOUSING INITIATIVES PARTNERSHIP
PROGRAM ACT, SUBSECTIONS 420.907-420.9079, FLORIDA
STATUTES; AND RULE CHAPTER 67-37, FLORIDA ADMINISTRATIVE
CODE; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the State of Florida enacted the William E. Sadowski Affordable Housing Act, Chapter 92-317 of Florida Sessions Laws, allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing; and

WHEREAS, the State Housing Initiatives Partnership (SHIP) Act, ss. 420.907-420.9079, Florida Statutes (1992), and Rule Chapter 67-37, Florida Administrative Code, requires local governments to develop a one- to three- year Local Housing Assistance Plan outlining how funds will be used; and

WHEREAS, the SHIP Act requires local governments to establish the maximum SHIP funds allowable for each strategy; and

WHEREAS, the SHIP Act further requires local governments to establish an average area purchase price for new and existing housing benefiting from awards made pursuant to the Act, and the methodology and purchase prices used are defined in the attached Local Housing Assistance Plan; and

WHEREAS, as required by *section 420.9075 F.S.*, it is found that five percent (5%) of the local housing distribution plus five percent (5%) of program income is insufficient to adequately pay the necessary costs of administering the Local Housing Assistance Plan. The cost of administering the program may not exceed ten percent (10%) of the local housing distribution plus five percent (5%) of program income deposited into the trust fund except that eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs; and

WHEREAS, City of Pensacola Housing Department has prepared a three-year Local Housing Assistance Plan for submission to the Florida Housing Finance Corporation; and

WHEREAS, the City Council finds that it is in the best interest of the public for the City of Pensacola to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA:

SECTION 1: The City Council of the City of Pensacola, Florida hereby approves the Pensacola Local Housing Assistance Plan as attached and incorporated hereto for submission to the Florida Housing Finance Corporation as required by ss. 420.907-420.9079, Florida Statutes, for fiscal years 2025/2026, 2026/2027, and 2027/2028.

SECTION 2: The Mayor of the City of Pensacola, or his designee, is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, and to do all things necessary and proper to carry out the terms and conditions of said program.

SECTION 3: This resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk



CITY OF PENSACOLA



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2025-2026, 2026-2027, 2027-2028



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I. Program Details:

A. LG(s)

Name of Local Government	City of Pensacola
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	

B. Purpose of the program:

- To meet the housing needs of the very low, low and moderate-income households;
- To expand production of and preserve affordable housing; and
- To further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2025-2026, 2026-2027, 2027-2028

D. Governance: The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services and lead agencies of the local continuums of care.

F. Leveraging: The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through face to face meetings with housing providers, social service providers, local lenders, and neighborhood associations. Public input was solicited through the local newspaper in an advertisement of the Local Housing Assistance Plan publishing information for citizens to access the Plan through the City of Pensacola website. In addition, a Notice of Funding Availability will be published in the local newspaper once allocations for the respective fiscal year are confirmed by State government.

H. Advertising and Outreach: SHIP funding availability shall be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.

I. Waiting List/Priorities: A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status.



Applicants will be maintained in an order that is consistent with the time completed applications were submitted as well as any established funding priorities as described in this plan. The following priorities for funding applies to all strategies unless otherwise stated in an individual strategy in Section II.

Not applicable

- J. Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing.
- K. Support Services and Counseling:** Support services are available from various sources. Available support services may include, but are not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Tenant Counseling, Foreclosure Counseling, Legal Services and Transportation.
- L. Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the average area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

- M. Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org.

"Affordable" means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

- N. Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.
- O. Monitoring and First Right of Refusal:** In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides



periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance whichever is longer unless as specified above. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

- P. Administrative Budget:** A line-item budget is attached as Exhibit A. The City of Pensacola finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan.

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states: “A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan.”

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states: “The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.” The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. Program Administration:** Administration of the local housing assistance plan will be performed by:

Entity	Duties	Admin. Fee Percentage
City of Pensacola	Administrative Duties	10%
Third Party Entity/Sub-recipient		

- R. First-time Homebuyer Definition:** For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*
- S. Project Delivery Costs:** Project delivery costs are related to the delivery of housing related services to an eligible applicant not covered through Administrative funds. These costs include surveys, title work, appraisals, temporary relocation and storage (Substantial Rehab/Reconstruction activity only and Owner Occupied Rehabilitation activity in limited cases), recording fees, septic tank pump-out, septic tank permit fees, engineering fees, design plans, housing market studies (Rental Preservation/Development),



environmental reviews, inspections made by non-City employees, and a service delivery fee for third party agencies administering an activity. A service delivery fee included will be negotiated with a subrecipient agency and may include applicant intake; initial, progress, and final inspections; preparation of work specifications and cost estimates; travel to job site; and general project oversight.

Project delivery costs are encountered in the following activities: Demolition/Reconstruction, Owner Occupied Rehabilitation, New Construction, Rental Preservation/Development, Disaster Mitigation, and Rental Assistance. Project delivery costs will be limited to no more than 5% of the project award. The Maximum activity award will include these project delivery costs.

T. Essential Service Personnel Definition (ESP): For purposes of this Plan, the City of Pensacola has determined that “essential service personnel” shall include persons in need of affordable housing who meet the following requirements:

1. are permanently employed by a company or organization located within Escambia County, the City of Pensacola, or the Town of Century, all lying within Escambia County, Florida; in one of the following categories:

- a. Local or State Law Enforcement, Fire, Rescue, and Emergency Services, Public Safety and Emergency Management
- b. Teachers, Educators, and School District personnel in the public, private and university systems
- c. Health Care Professionals and support personnel
- d. Tourism Industry professionals and employees (including hospitality and food service)
- e. Judicial/Court System management and support personnel
- f. Skilled building trades personnel

2. have maximum annual income at or below 120% of the Pensacola MSA median income as defined in the SHIP Rule 67-37.

U. Describe efforts to incorporate Green Building and Energy Saving products and processes: All improvements will meet Energy Conservation requirements as required by Florida Building Code for new construction or existing buildings, as applicable. The County and City shall, when economically feasible, encourage and support green building products and processes, including energy efficient features in each strategy. According to the type and extent of the repair or reconstruction and the needs of the recipient, the following green and energy products will be utilized when viable on New Construction, Demolition/Reconstruction, and Owner Occupied Rehabilitation activities:

1. Bath fixtures will carry the WaterSense label or the following specifications:

- a. Toilets: 1.6 gallons/flush or less
- b. Faucets: 1.5 gallons/minute or less
- c. Showerheads: 2.0 gallons/minute or less

2. Appliances

- a. Energy Star qualified refrigerator
- b. Energy Star qualified water heater
- c. Energy Star qualified range hood
- d. Energy Star qualified dishwasher, where applicable

3. Lighting



- a. Installation of Energy Star light fixtures and ceiling fans, and/or
- b. Installation of LED bulbs in newly installed lighting fixtures
- 4. Heating, Cooling, and Ventilation
 - a. HVAC with minimum SEER rating of 14.
 - b. Energy Star qualified bath exhaust fans
- 5. Building Products
 - a. Energy Star qualified windows
 - b. Energy Star qualified doors
 - c. No or Low-VOC paints (50 grams per liter or less for flat paint or 150 grams per liter or less for non-flat paint or paints carrying GreenGuard certification)

V. Describe efforts to meet the 20% Special Needs set-aside: The Special Needs set aside will be met through all strategies, with particular attention given to the Owner-Occupied Rehabilitation and Demolition/Reconstruction Housing strategies to provide the opportunity for owner occupants to remain independent in their homes and maintain homeownership. The City will perform outreach and partner with social service agencies serving the designated special needs populations to achieve the special needs set-aside.

Persons with special needs, as defined in F.S. 420.0004 (13) means, “an adult requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under F.S. 409.1451(5); a survivor of domestic violence as defined in F.S. 741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the supplemental Security Income (SSI) program; or from veterans disability benefits.”

W. Describe efforts to reduce homelessness: The City has provided local ARPA funding to create new homeless housing units and provide supportive services for homeless households through agreements with various not for profit agencies.

The City of Pensacola administers HUD Veterans Affairs Supportive Housing (VASH) vouchers County-wide to provide homeless veterans with housing choice vouchers as well as Department of Veterans Affairs supportive services. Additionally, the City of Pensacola administers Emergency Housing Vouchers in coordination with local Continuum of Care lead, Opening Doors Northwest Florida, Inc. to provide vouchers to homeless families, victims of domestic violence, and families who are at risk of homelessness.

Under the Rental Development activity, the City may prioritize units specifically for homeless households. Additionally, the Rental Assistance activity may be used in coordination with agencies serving homeless households to stabilize households for up to 12 months.



Section II. LHAP Strategies:

A. PURCHASE ASSISTANCE	Code: 1, 2
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a. Summary: SHIP funds will be made available to support down payment, gap financing, and closing costs for the purchase of an existing or newly constructed home for first time homebuyers, including homes purchased from a community land trust. Assistance shall be tailored to the individual affordability and financing needs of the participating homebuyer. Permanent first mortgage financing (exceeding the SHIP Purchase Assistance) will be provided through financial institutions, homebuyer programs and/or private developers/contractors without local guarantee, thereby leveraging a significant volume of private sector financing.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$20,000 Moderate
\$32,500 Low
\$45,000 Very Low
- e. Terms:
 - 1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Subordinate Mortgage and Note
 - 2. Interest Rate: 0%
 - 3. Years in loan term: 10 years
 - 4. Forgiveness: 10% forgiven annually on anniversary date of the loan, provided that the homebuyer is not in default of program terms
 - 5. Repayment: None required as long as the loan is in good standing
 - 6. Default: The sale, refinancing, transfer of ownership, foreclosure by the primary lender, or when the property is no longer the principal residence during the mortgage term shall be considered a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following annual advertisement of the availability of SHIP resources. Priority given to Low income applicants in accordance with program funding distribution percentage requirements.

Homebuyer must meet the following qualifications:

- 1. qualify for a first mortgage through a participating first mortgage lender;
- 2. complete a HUD certified pre-purchase homebuyer education class within the 12 months prior to closing;
- 3. contribute toward the purchase of the home, a minimum of \$1,000 for Moderate Income buyers, \$750 for Low Income buyers, and \$500 for Very Low-Income buyers (this amount can include documented expenses paid outside of closing);



4. hold less than \$50,000 in liquid assets; and
5. meet the criteria for a first-time homebuyer

g. Sponsor Selection Criteria: Not Applicable

h. Additional Information:

1. The first-time homebuyer requirement will be waived in cases where the applicant meets the definition of “essential service personnel” as provided in Section I (T) of this plan.
2. Certified Home Inspection is required. Cost of home inspection may be applied to borrower’s minimum contribution if paid by the buyer.
3. Maximum sales price of the home cannot exceed the FHFC published maximum sales price for Escambia County
4. Rehabilitation, if required, will be paid from non-SHIP funds.
5. Mobile/manufactured homes are not eligible.

B. DEMOLITION / RECONSTRUCTION	Code: 4
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a. Summary: Funds under this strategy are provided for the substantial rehabilitation or reconstruction of severely substandard owner-occupied single-family units (home requires more than 50% of the value of the home to repair). These units are unable to be addressed through other City repair programs and will be brought up to code through this strategy and will be referred through the housing inspection process or code enforcement.

b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028

c. Income Categories to be served: Very Low and Low

d. Maximum award: \$ 250,000 (including \$11,900 maximum permitted as a grant for PDC)

e. Terms:

1. Repayment loan/deferred loan/grant: Up to \$11,900 in project delivery costs provided as a grant; Deferred Payment Loan secured by Mortgage and Note. Loan will be in a subordinate position to HOME program financing if present (or other associated local government financing as available).
2. Interest Rate: 0%
3. Years in loan term: 20 years
4. Forgiveness: Loan forgiven at 6.67% on the anniversary date of the note beginning in year six through year 19, with the outstanding balance forgiven on the anniversary date of the note in year 20, provided that the homeowner is not in default of program terms.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The sale, rental, refinancing, or transfer of ownership during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In the event of the death of an owner, an income eligible heir (at or below 80% AMI) may assume the balance of the loan terms if certified income eligible by staff. If the legal heir is not SHIP eligible or chooses not to occupy the home, the



outstanding balance of the loan will be due and payable.

- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis following advertisement of the availability of SHIP resources and/or through the use of a waiting list with a priority for special needs applicants, then Very Low-Income applicants.

Applicants must be owner occupants with fee simple title, homestead exemption, property taxes current, and with no outstanding liens or judgments owed to the City. Priority may be given to applicants with open local government code enforcement citations, or survivors of a disaster as declared by local, state or federal officials.

- g. Sponsor Selection Criteria: Not Applicable

- h. Additional Information:

1. The City of Pensacola and Escambia County formed a local HOME Consortium for purposes of receiving Federal funds that support the local mission of enhancing housing affordability. SHIP funds may be provided as a cash match or local leverage to receive funds under the HUD HOME Program or other federal or state funds requiring matching funds.
2. Applicant must have fee simple title and no other liens or mortgages may be present on the property.
3. The size and specifications of the replacement house will be determined by City staff. Decisions will be guided by what is minimally required by the family size and composition.
4. Temporary relocation expenses may be provided in an amount not to exceed \$5000 in accordance with the City Optional Temporary Relocation program policy where no other resources or alternate housing options exist.
5. Project delivery costs (including temporary relocation) in an amount not to exceed 5% of the demolition/reconstruction cost may be provided under this activity as outlined in Section I (S). Project delivery costs will be provided as a grant. Project delivery expenditures will be included in the maximum award calculation.

C. OWNER OCCUPIED REHABILITATION	Code: 3, 6
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- a. Summary: SHIP funds will be used to provide rehabilitation for Very Low and Low Income owner occupied homes to address roofing, electrical, plumbing, mechanical, sanitary disposal, life/safety conditions, structural code deficiencies, code citations, accessibility needs, and other related repairs.

Emergency Repair Assistance will be considered for Very low income applicants in need of rehabilitation related to a dire situation in need of immediate mitigation. This includes but is not limited to: damaged roofing that is actively leaking; significant breaches in the structural envelope of the home causing exposure to the elements; sewage backup; electrical or plumbing issues that are an immediate health or safety hazard to the occupant; or a code citation. HVAC repair or replacement may also be considered for special needs or elderly households with documentation from a physician stating it is medically necessary.

Home Accessibility Assistance will provide assistance to retrofit owner-occupied single family homes for wheelchair ramps, bathroom modifications, or other repairs to allow functional accessibility for households



with special needs as defined in F.S. 420.00004(13).

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low and Low
- d. Maximum award:
 - 1. Housing Repair Assistance - Very Low and Low: \$50,000
 - 2. Emergency Repair Assistance – Very Low: \$25,000
 - 3. Home Accessibility Assistance – Very Low and Low: \$10,000
- e. Terms:
 - 1. Repayment loan/deferred loan/grant: Housing Repair and Emergency Repair Assistance will be provided as a deferred loan secured by a Lien Agreement. Home Accessibility Assistance will be provided as a grant.
 - 2. Interest Rate: 0%
 - 3. Years in loan term:
 - i. Housing Repair Assistance-10 years
 - ii. Emergency Repair Assistance-5 years
 - iii. Home Accessibility Assistance-Not applicable (grant)
 - 4. Forgiveness: Provided the owner is not in default of program terms, the following forgiveness periods will apply:
 - i. Housing Repair Assistance-10% annually on the anniversary date of the loan
 - ii. Emergency Repair-20% annually on the anniversary date of the loan
 - iii. Home Accessibility Assistance-Not applicable (grant)
 - 5. Repayment: None required as long as the loan is in good standing.
 - 6. Default: The sale, rental, refinancing, or transfer of ownership during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In the event of the death of an owner, an income eligible heir (at or below 80% AMI) may assume the balance of the loan terms if certified income eligible by staff. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable
- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis following advertisement of the availability of SHIP resources and/or through the use of a waiting list. However, priority for special needs applicants and Very Low-Income applicants will be prioritized to meet SHIP set aside requirements. Additional priority may be given to applicants with active local government code enforcement citations or survivors of a disaster as declared by local officials. Home Accessibility assistance will only be made available to low-income households with special needs.

Applicants must be owner occupants with fee simple title, homestead exemption, mortgage current (if present), property taxes current, and with no outstanding liens or judgments owed to the City.
- g. Sponsor Selection Criteria: Not Applicable



- h. Additional Information:
1. Emergency Repair Assistance: Where an emergency repair has been referred by the Code Enforcement Division, the repair will be limited to the specific code citation deficiencies in order to remove the violation on the dwelling only (no demolition or lot cleaning). Feasibility under emergency repair assistance will be based on the property being able to meet code after rehabilitation.
 2. Recipients with homeowner's insurance in place may be required to submit a claim to the insurance provider and use proceeds for rehabilitation if the needed repairs are related to an event reasonably believed to be insurable.
 3. Recipient may not have total liquid assets of \$50,000 or more.
 4. An additional \$5000 may be awarded for temporary relocation expenses if determined necessary by the Rehabilitation Program Coordinator or Specialist in order to effect the necessary repairs. If approved by staff, temporary relocation and moving expenses will not exceed \$5000 in accordance with the City Optional Temporary Relocation program policy where no other resources or alternate housing options exist and will be provided as a grant. No temporary relocation costs will be provided for emergency repair or home accessibility assistance.
 5. Households receiving Home Accessibility or Emergency Repair Assistance may remain (or be placed) on the waiting list for full housing rehabilitation assistance. Additional SHIP Housing Repair Assistance or Emergency Repair Assistance may not be received until the applicable lien matures.
 6. Mobile homes are not eligible under the Owner Occupied Rehabilitation program except for home accessibility assistance. The mobile home must have been built after June 1994 and registered as real property.

D. WORKFORCE DEVELOPMENT	Code: 9, 10
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a. Summary: SHIP funds will be made available to non-profit or for-profit developers, including Community Land Trusts (CLT), to partially underwrite the costs of new construction or acquisition/rehabilitation of affordable workforce homes for families. These funds will enhance affordability and enable the developer to increase the number of affordable housing units produced for SHIP eligible homebuyers within the local area. Funds may be used for land acquisition, infrastructure and development costs, construction, and other associated fees for the construction or rehabilitation of housing units.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$100,000 per unit (Developer); \$50,000 (Buyer)
- e. Terms: Homebuyer
1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Subordinate Mortgage and Note.
 2. Interest Rate: 0%
 3. Years in loan term: 30 years



4. Forgiveness: Loan forgiven at 5% per year starting on the anniversary date of the note following the 10th year, provided that the homeowner is not in default of program terms.

Forgiveness terms for CLT home purchases: Provided the property continues to be occupied by an income eligible household, the SHIP funds will not be subject to recapture upon sale.

5. Repayment: None required as long as the loan is in good standing

Repayment terms for CLT home purchases: SHIP assistance is assumable to an income eligible buyer. The terms of the Mortgage and Note shall allow subsequent purchasers to assume the loan with approval by the CLT. Otherwise, no repayment required during the loan term, provided the loan remains in good standing.

6. Default: The sale, rental, refinancing, transfer of ownership, foreclosure of the primary lender, or when the property is no longer the principal residence during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

Terms: Sponsor/Developer

1. Repayment loan/deferred loan/grant: Deferred Payment construction loan placed on the property during construction, which will be released upon sale of the home to an eligible buyer.
2. Interest Rate: 0%
3. Years in loan term: Up to 24 months
4. Forgiveness: If the loan is in good standing, upon sale of the property to an eligible homebuyer with affordability restrictions and/or covenants to ensure that the home remains affordable for a minimum of 30 years, the City will satisfy the mortgage and note. The maximum buyer award will be passed through to the eligible household in the form of a subordinate mortgage.
5. Repayment: Proceeds in excess of the amounts provided for the benefit of the eligible household are due and payable to the City upon sale of the property to an eligible buyer or two years, whichever comes first.
6. Default: If the home is not sold to an eligible buyer within two years, the loan is due and payable.

- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis. Priority provided to Low Income households. Homebuyer must meet the following qualifications:
 1. qualify for a first mortgage through a participating first mortgage lender;
 2. complete a HUD certified pre-purchase homebuyer education class within the 12 months prior to closing;
 3. contribute \$750 toward the purchase of the home (this amount can include documented expenses paid outside of closing); and
 4. hold less than \$50,000 in liquid assets.
5. In addition to the HUD pre-purchase homebuyer education class, Community Land Trust (CLT) buyers must attend a home purchase education class that contains a CLT component and/or a session with the CLT that requires buyers to demonstrate and attest to a clear understanding of the terms of CLT



ownership.

- g. Sponsor Selection Criteria: Selection of a developer and/or sponsor may be based upon responses to an advertised request for proposal. Sponsor/developer must demonstrate financial ability to construct or rehabilitate homes. Selection criteria may consider:
1. site control;
 2. CLT, nonprofit or for profit locally based with expertise in affordable single family housing construction and marketing units to Very Low Income families;
 3. amount of non-SHIP funds or value of in-kind services committed as SHIP leverage;
 4. unit production goals in relation to SHIP funding request and ability to complete project within deadlines established by the City;
 5. use of green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the production or preservation of housing units;
 6. percentage of units targeted to Very Low-Income families; and
 7. documentation of the agency's employment or planned employment of personnel from the Welfare Transition Program or other community training shall result in a priority for award of SHIP funds assuming the agency demonstrates capacity to implement the subject SHIP activity.

Proposals meeting the RFP requirements will be evaluated by staff to determine the agency or organization that will implement the strategy. Final selection and contract approval will be provided by the City Council. The RFP may solicit participation for the full three-year LHAP period.

- h. Additional Information:
1. Restrictive Covenant: Each property may have a restrictive covenant recorded with the deed at the initial purchase to ensure that if the property is resold it will remain affordable to a low-to-moderate income family. The restrictive covenant will remain in effect for the entirety of the affordability period and will indicate the maximum resale price, process for foreclosures, and legal actions if the agents, successors, and assignees are found in violation of the program requirements. The use of a restrictive covenant will depend on the use of partnership programs.
 2. This activity will provide preferences for Essential Services Personnel.

F. RENTAL PRESERVATION / DEVELOPMENT	Code: 14, 21
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a. Summary: SHIP funds will be provided as gap financing to support the preservation or development of affordable rental housing or special needs housing (as defined in 420.0004 (13)) for eligible persons through new construction, acquisition of property or existing rental units, and/or rehabilitation of existing rental units.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Extremely Low, Very Low, and Low
- d. Maximum award: Up to \$150,000 per unit as determined by a subsidy layering review; \$500,000



maximum provided per development

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred Payment Loan or Grant depending on proposed project secured by Mortgage and Note or Deed Restriction. Grants will only be provided to developments receiving \$10,000 or less.
2. Interest Rate: 0%
3. Years in loan term: 15 year minimum on all projects and 20 year minimum on any new construction project co-funded with local HOME funds. A longer term may be considered if specifically required by HUD, FHFC, RD or other primary lender as a condition for project financing.
4. Forgiveness: As defined in the applicable mortgage and note. For deferred payment loans, a portion of the loan will be forgiven as follows provided the project is not in default of program requirements:

15 YEAR LOAN	20 YEAR LOAN
Years 0-4: No forgiveness	Years 0-4: No forgiveness
Years 5-9: 25%	Years 5-9: 25%
Years 10-14: 25%	Years 10-14: 25%
Year 15: 50%	Years 15-19: 25%
	Year 20: 25%

5. Repayment: Not required as long as the development is not in default of any program terms.
6. Default: As defined in the applicable mortgage and note or deed restriction, recapture of the outstanding loan balance of SHIP funds invested is required upon default. A default is the sale, transfer or conveyance of the property prior to term expiration; conversion to a non-approved use; failure to maintain standards for compliance as required by funding sources, including income eligibility of tenants and rents limits. The sale of properties assisted with SHIP funds before expiration of the affordability period shall require approval of the City Council and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement, mortgage and note.

- f. Recipient/Tenant Selection Criteria: Tenants will be assisted on a first qualified, first served basis. Any income or special needs prioritization will be identified in the request for proposals process.
- g. Sponsor/Sub-recipient Selection Criteria: Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process. Priority may be given to developments that serve Very Low Income households and/or targeted populations such as homeless persons, veterans, elderly households, or special needs households as defined in Section I(V) of this Plan.

Projects will be accepted through an RFP process and will be evaluated at the time of submission to maximize the potential for integration of resources (FHFC, HUD, RD, etc.). Project selection criteria at a minimum will include:

1. experience in development of affordable rental housing;
2. proof of financial capacity for development of units and sufficient cash flow to maintain operation of



- the units for affordable housing;
- 3. site control (or contract for sale);
- 4. ability to proceed;
- 5. management capacity of affordable rental housing and targeted population if part of the RFP;
- 6. leveraging ability;
- 7. commitment to use green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the construction, repair or preservation of housing units;
- 8. services/amenities to be offered at the units;
- 9. percentage of units targeted to families at or below 30% or 50% of Area Median Income; and
- 10. commitment to longer affordability period than program minimums

As applicable, proposals from nonprofit sponsors or for-profit sponsors will be evaluated by City staff, or a committee comprised of County and City representatives when funding is blended, to determine the agency or organization that will implement the strategy.

- h. Additional Information:
 - 1. Funds may be used to support costs directly associated with project development, including architectural and engineering costs, appraisals, permitting fees as well as land acquisitions and construction expenses.
 - 2. Eligible sponsors offering rental housing for sale before 15 years or before the loan expiration must give a first right of refusal to eligible not for profit agencies for purchase at the current market value for continued occupancy by eligible persons.

F. DISASTER MITIGATION ASSISTANCE	Code: 5, 16
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a. Summary: SHIP funds may be used in the City of Pensacola to provide assistance to families in the aftermath of a disaster as declared by President or Governor issued Executive Order(s). Generally, such needs shall include such items as: purchase of emergency supplies for eligible homeowners to weatherproof damaged homes; interim repairs to avoid further damage to the homes of eligible families; tree and debris removal required to make individual housing units habitable by the eligible family; payment of insurance deductibles for rehabilitation of homes covered under homeowner's insurance policies; security deposit for eligible recipients that have been displaced from their homes due to disaster; rental assistance for eligible recipients that have been displaced from their homes due to disaster; strategies included in the approved LHAP that benefit applicants directly affected by the declared disaster; and other activities as proposed by the City and approved by Florida Housing Finance Corporation. This strategy will utilize funds not yet encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation.

- b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028
- c. Income Categories to be served: Very Low, Low, and Moderate
- d. Maximum award: \$20,000 (insurance deductible not to exceed \$3,000 and included within the maximum award calculation)



- e. Terms :
 - 1. Repayment loan/deferred loan/grant: Grant
 - 2. Interest Rate: Not Applicable
 - 3. Years in loan term: Not Applicable
 - 4. Forgiveness: Not Applicable
 - 5. Repayment: Not Applicable
 - 6. Default: Not Applicable

- f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following the declaration of the disaster. Priority may be given to households with special needs, Low and Very Low Income households, and households that qualify as elderly as defined in 420.503, F.S.

Owner occupant applicants must have homestead exemption, property taxes current, mortgage and property insurance (if present) current, and with no outstanding liens or judgments owed to the City. Rental applicants may not have outstanding liens or judgments owed to the City.

- g. Sponsor Selection Criteria: Given the emergency nature of this activity, a sponsor may be used for implementation of this strategy where assistance may not be carried out by City staff. Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process.

- h. Additional Information:
 - 1. This strategy may be leveraged with other federal, state, or local funding as well as volunteer labor.
 - 2. In the event of a "presidentially or state declared disaster," up to 25% of the available SHIP Program funds may be immediately utilized to meet emergency housing repair and recovery needs of SHIP eligible families. In the event of such an occurrence, staff shall notify the Florida Housing Finance Corporation (FHFC) of such action by written letter, facsimile, or e-mail within 15 days of the date of the disaster declaration.
 - 3. No duplication of benefits may be provided. Applicants must provide proof of assistance received from insurance, FEMA, or other resources. Insurance proceeds must be used before SHIP funds, except for payment of insurance deductible.
 - 4. Assistance to owner occupants provided only on primary residences.
 - 5. Rental assistance may be provided for up to twelve months after the disaster declaration made by Executive Order. SHIP funds may not be used to pay for rental arrears.
 - 6. SHIP funds under this activity will generally be paid directly to contractors, landlords or their agents, insurance companies, etc. However, emergency funds may be provided directly to the applicant for some emergency disaster related expenses, such as the reimbursement of tarps, emergency tree and debris removal, and other temporary measures to avoid further damage to the property.
 - 7. At its discretion, the City may coordinate with Escambia County in management of Disaster Mitigation Assistance and as a result may align its program rules with the County for equitable administration.



G. RENTAL ASSISTANCE

Code: 13, 23, 26

a. Summary: Funds will be awarded to renters that are in need of assistance with obtaining or maintaining a lease on a rental unit. This may include utility deposits, security deposits, rental assistance, and eviction prevention up to three months' rent. For households that are Very Low Income and have one adult with special needs according to 420.0004 (13) or that are homeless as defined in 420.621 at time of application, rent equal to no more than twelve months' rent assistance is eligible.

b. Fiscal Years Covered: 2025-2026, 2026-2027, 2027-2028

c. Income Categories to be served: Very Low and Low

d. Maximum award:

1. Eviction Prevention: \$5000
2. Security/Utility Deposits: \$2500
3. Rental Assistance: \$14,500

e. Terms:

1. Repayment loan/deferred loan/grant: Grant
2. Interest Rate: Not Applicable
3. Years in loan term: Not Applicable
4. Forgiveness: Not Applicable
5. Repayment: Not Applicable
6. Default: Not Applicable

f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Very Low Income applicants, Special Needs Households, and Homeless Households.

Rental Assistance is only available to Very Low Income special needs or homeless households as defined in this plan. Up to twelve (12) month's rent may be provided.

g. Sponsor Selection Criteria: A sponsor may be used for implementation of this strategy where assistance may not be carried out by City staff. Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process. Criteria for sponsor organization selection will include:

1. Past experience working with target population;
2. Past experience administering rental assistance programs; and,
3. Participation in Continuum of Care Coordinated Entry system (for homeless)

h. Additional Information:

1. Funds will be paid directly to landlord or utility company.
2. Eviction Prevention will be provided as a one time payment covering up to three month's past due rent and late fees to help households remain stably housed.
3. Security/Utility Deposits may be used in conjunction with Rental Assistance, with security/utility



assistance to be included in the maximum award calculation for Rental Assistance.
4. Recipients of Rental Assistance must provide a minimum twelve (12) month lease.

III. LHAP Incentive Strategies

In addition to the **required Incentive Strategy A and Strategy B**, include all adopted incentives with the policies and procedures used for implementation as provided in Section 420.9076, F.S.:

- A. Name of the Strategy: **Expedited Permitting**
Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

Provide a description of the procedures used to implement this strategy:

Expedited processing of permits includes development orders and development permits including building permits, zoning permits, subdivision approval, rezoning, certification, special exception or variance approvals. The City's process is an online centralized process. The present system provides an expedited centralized "one-stop" process for affordable housing projects located within the City. The application provides an applicant the opportunity to note if the project is being supported with affordable housing funding. The City will provide for priority processing of affordable housing applications in the event a backlog is experienced.

- B. Name of the Strategy: **Ongoing Review Process**
An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

Provide a description of the procedures used to implement this strategy:

The Affordable Housing Advisory Committee is directed to review local government policies and procedures that may impact affordable housing costs negatively and provide reports annually. The City is currently undergoing a Land Development Code review and revision process that includes review of affordable housing policies.

- C. Other Incentive Strategies Adopted:

1. THE MODIFICATION OF IMPACT FEE REQUIREMENTS, INCLUDING REDUCTION OF WAIVER OF FEES AND ALTERNATIVE METHODS OF FEE PAYMENT FOR AFFORDABLE HOUSING.

The City of Pensacola does not have impact fee requirements.

The City's Lien Release Policy for Affordable Housing Infill Projects (1/10/11) provides for waiver of liens for affordable infill projects.

2. THE ALLOWANCE OF FLEXIBILITY IN DENSITIES FOR AFFORDABLE HOUSING

The City's Comprehensive Plan and Land Development code allows for density flexibility generally through the Special Planned Development process.



A complete copy of the City of Pensacola's current Affordable Housing Incentive Strategies Reports are on record with Florida Housing Finance Corporation and the Florida Housing Coalition, and is available on the following City website: <https://www.cityofpensacola.com/198/Plans-Reports>

IV. EXHIBITS:

Required

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.

Optional

- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement (Required if applicable).
- H. Other Documents Incorporated by Reference.

City of Pensacola

Fiscal Year: 2025-2026	
Estimated SHIP Funds for Fiscal Year:	\$ 423,469.00
Salaries and Benefits	\$ 40,000.00
Office Supplies and Equipment	\$ 500.00
Travel Per diem Workshops, etc.	\$ 946.00
Advertising	\$ 700.00
Recording Fees	\$ 200.00
Total	\$ 42,346.00
Admin %	10.00%
	OK
Fiscal Year 2026-2027	
Estimated SHIP Funds for Fiscal Year:	\$ 423,469.00
Salaries and Benefits	\$ 40,000.00
Office Supplies and Equipment	\$ 500.00
Travel Per diem Workshops, etc.	\$ 946.00
Advertising	\$ 700.00
Recording Fees	\$ 200.00
Total	\$ 42,346.00
Admin %	10.00%
	OK
Fiscal Year 2027-2028	
Estimated SHIP Funds for Fiscal Year:	\$ 423,469.00
Salaries and Benefits	\$ 40,000.00
Office Supplies and Equipment	\$ 500.00
Travel Per diem Workshops, etc.	\$ 946.00
Advertising	\$ 700.00
Recording Fees	\$ 200.00
Total	\$ 42,346.00
Admin %	10.00%
	OK
*All "other" items need to be detailed here and are subject to review and approval by the SHIP review committee. Project Delivery Costs that are outside of administrative costs are not to be included here, but must be detailed in the LHAP main document. Details:	

Exhibit B
Timeline for SHIP Expenditures

CITY OF PENSACOLA affirms that funds allocated for these fiscal years will
(local government)
meet the following deadlines:

Fiscal Year	Encumbered	Expended	Closeout Report
2025-2026	6/30/2027	6/30/2028	9/15/2028
2026-2027	6/30/2028	6/30/2029	9/15/2029
2027-2028	6/30/2029	6/30/2030	9/15/2030

If funds allocated for these fiscal years is not anticipated to meet expenditure deadlines, Florida Housing Finance Corporation should be notified according to the following dates:

Fiscal Year	Funds Not Expended	Closeout AR Not Submitted
2025-2026	3/30/2028	6/15/2028
2026-2027	3/30/2029	6/15/2029
2027-2028	3/30/2030	6/15/2030

Requests for Expenditure Extensions (close-out year ONLY) must be emailed to robert.dearduff@floridahousing.org and include:

1. A statement that "(city/county) requests an extension to the expenditure deadline for fiscal year _____.
2. The amount of funds that is not expended.
3. The amount of funds that is not encumbered or has been recaptured.
4. A detailed plan/timeline of how/when the money will be expended.

Note: an extension to the expenditure deadline (June 30) does not relieve the requirement to submit (September 15) the annual report online detailing all funds that have been expended.

Other Key Deadlines:

AHAC reports are now due annually by December 31. Local governments receiving the minimum (or less) allocation may choose not to report.

ACFR financial statements are due each June 30 for the report ending September 30 of the previous year.



EXHIBIT C
HOUSING DELIVERY GOALS CHART (HDGC)
FOR FY 2025-26, 2026-27, 2027-28

FLORIDA HOUSING FINANCE CORPORATION												
HOUSING DELIVERY GOALS CHART												
2025-2026												
Name of Local Government: City of Pensacola												
Estimated Funds (Anticipated allocation only):												
		\$		423,469								
Code	Strategies	Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership											
1, 2	Purchase Assistance	Yes		\$45,000	2	\$32,500	1	\$20,000	\$85,000.00	\$0.00	\$85,000.00	3
4	Demolition/Reconstruction	Yes		\$250,000		\$250,000			\$0.00	\$0.00	\$0.00	0
3, 6	Owner Occupied Rehabilitation	Yes	3	\$50,000	1	\$50,000			\$200,000.00	\$0.00	\$200,000.00	4
9, 10	Workforce Development	Yes		\$50,000	2	\$50,000		\$50,000	\$100,000.00	\$0.00	\$100,000.00	2
5	Disaster Mitigation Assistance	Yes		\$20,000		\$20,000		\$20,000	\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
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									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
									\$0.00	\$0.00	\$0.00	0
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FLORIDA HOUSING FINANCE CORPORATION													
HOUSING DELIVERY GOALS CHART													
2027-2028													
Name of Local Government:				City of Pensacola									
Estimated Funds (Anticipated allocation only):				\$	423,469								
Code	Strategies		Qualifies for 75% set-aside	VLI Units	Max. SHIP Award	LI Units	Max. SHIP Award	Mod Units	Max. SHIP Award	New Construction	Without Construction	Total	Units
	Homeownership												
1, 2	Purchase Assistance		Yes		\$45,000	2	\$32,500	1	\$20,000	\$85,000.00	\$0.00	\$85,000.00	3
4	Demolition/Reconstruction		Yes		\$250,000		\$250,000			\$0.00	\$0.00	\$0.00	0
3, 6	Owner Occupied Rehabilitation		Yes	3	\$50,000	1	\$50,000			\$200,000.00	\$0.00	\$200,000.00	4
9, 10	Workforce Development		Yes		\$50,000	2	\$50,000		\$50,000	\$100,000.00	\$0.00	\$100,000.00	2
5	Disaster Mitigation Assistance		Yes		\$20,000		\$20,000		\$20,000	\$0.00	\$0.00	\$0.00	0
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**CERTIFICATION TO
FLORIDA HOUSING FINANCE CORPORATION**

Local Government or Interlocal Entity:

CITY OF PENSACOLA

Certifies that:

- (1) The availability of SHIP funds will be advertised pursuant to program requirements in 420.907-420.9079, Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will ensure that there will be no discrimination on the basis of race, color, national origin, sex, handicap, familial status, or religion.
- (3) A process to determine eligibility and for selection of recipients for funds has been developed.
- (4) Recipients of funds will be required to contractually commit to program guidelines and loan terms.
- (5) Florida Housing will be notified promptly if the local government /interlocal entity will be unable to comply with any provision of the local housing assistance plan (LHAP).
- (6) The LHAP provides a plan for the encumbrance of funds within twelve months of the end of the State fiscal year in which they are received and a plan for the expenditure of SHIP funds including allocation, program income and recaptured funds within 24 months following the end of the State fiscal year in which they are received.
- (7) The LHAP conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the LHAP.
- (8) Amendments to the approved LHAP shall be provided to the Florida Housing for review and/or approval within 21 days after adoption.
- (9) The trust fund exists with a qualified depository for all SHIP funds as well as program income or recaptured funds.
- (10) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (11) The local housing assistance trust fund shall be separately stated as a special revenue fund in the



local governments audited financial statements (ACFR). An electronic copy of the ACFR or a hyperlink shall be provided to Florida Housing by June 30 of the applicable year.

- (12) Evidence of compliance with the Florida Single Audit Act, as referenced in Section 215.97, F.S. shall be provided to Florida Housing by June 30 of the applicable year.
- (13) SHIP funds will not be pledged for debt service on bonds.
- (14) Developers receiving assistance from both SHIP and the Low-Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements, similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.
- (15) Loans shall be provided for periods not exceeding 30 years, except for deferred payment loans or loans that extend beyond 30 years which continue to serve eligible persons.
- (16) Rental Units constructed or rehabilitated with SHIP funds shall be monitored for compliance with tenant income requirements and affordability requirements or as required in Section 420.9075 (3)(e). To the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility.
- (17) The LHAP meets the requirements of Section 420.907-9079 FS, and Rule Chapter 67-37 FAC.
- (18) The provisions of Chapter 83-220, Laws of Florida have not been implemented (except for Miami-Dade County).

Witness

Chief Elected Official or designee

Witness

D.C. Reeves, Mayor
Type Name and Title

Date

OR

Attest:

(Seal)



EXHIBIT E
RESOLUTION



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-476

City Council

4/24/2025

ORDINANCE

SPONSOR: DC Reeves, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 2-25 RELATED TO THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM

RECOMMENDATION:

That City Council adopt Proposed Ordinance No. 2-25 on first reading.

AN ORDINANCE REPEALING AND REPLACING, IN ITS ENTIRETY, ORDINANCE NO. 1-93 OF THE CITY OF PENSACOLA, FLORIDA, THE "PENSACOLA AFFORDABLE HOUSING ORDINANCE" RELATING TO THE STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #1: Attainable Housing for All Income Levels

The State Housing Initiatives Partnership (SHIP) program provides state funds from documentary stamp revenues to eligible local governments to produce and preserve affordable housing for very low, low, and moderate income families. SHIP Program governance is outlined by the State under Chapter 420, Part VII, Florida Statutes and Rule Chapter 67-37, Florida Administrative Code. For participation in the SHIP program, a local government must adopt an ordinance that contains the following provisions: creation of a local housing assistance trust fund; adoption by resolution of a local housing assistance plan (LHAP); designation of responsibility for administration of the LHAP; and creation of an affordable housing advisory committee.

This Ordinance will repeal and replace Ordinance No. 1-93. The new Ordinance replaces or updates various references which have been modified since 1993 in order to better implement the SHIP program. Modifications include removing references to the Florida Housing Finance Agency, which was reconstituted as the Florida Housing Finance Corporation in 1998;

updating definitions of terms for compliance with the SHIP program; expanding and clarifying possible eligible SHIP housing activities; outlining program administration duties; updating the composition of the Affordable Housing Advisory Committee (AHAC) to reflect the current composition required by Florida Statute; and adding additional local housing incentive strategies for AHAC review. Additionally, the new Ordinance will provide for fiscal and administrative responsibility of the City's SHIP funds by the City by creating a local trust fund maintained and managed by the City.

PRIOR ACTION:

January 28, 1993 - City Council passed Ordinance 1-93 relating to the State Housing Initiatives Partnership program

FUNDING:

N/A

FINANCIAL IMPACT:

Updating of the 1993 Ordinance is required for ongoing program compliance and to ensure continued eligibility for SHIP Program funds.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

4/8/2025

STAFF CONTACT:

Tim Kinsella, City Administrator
Meredith Reeves, Housing Administrator

ATTACHMENTS:

1. Proposed Ordinance No. 2-25
2. Proposed Ordinance No. 2-25 Business Impact Analysis Report

PRESENTATION: No

PROPOSED
ORDINANCE NO. 2-25

ORDINANCE NO. ____

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE REPEALING AND REPLACING, IN ITS ENTIRETY, ORDINANCE NO. 1-93 OF THE CITY OF PENSACOLA, FLORIDA, THE "PENSACOLA AFFORDABLE HOUSING ORDINANCE" RELATING TO THE STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Pensacola, Florida and the citizenry of said jurisdiction recognize the necessity for provision of the opportunity for all persons to have access to safe, decent, and affordable housing; and

WHEREAS, in 1992, the Legislature of the State of Florida approved the Sadowski Affordable Housing Act creating the State Housing Initiatives Partnership (SHIP) for the specific purpose of supporting and expanding the availability of affordable housing resources within the State; and

WHEREAS, in 1993 the City Council adopted Ordinance 1-93, which, among other things, provides for local administration and implementation of the SHIP program; and

WHEREAS, the City Council finds it necessary and in the public interest to repeal and replace Ordinance 1-93 to better implement the SHIP program.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. REPEALER

Ordinance 1-93 of the City of Pensacola, Florida is hereby repealed and replaced in its entirety, to read as follows:

SECTION 2. PURPOSE

In accordance with and pursuant to the authority of the general laws of the State of Florida, and Chapters 125 and 420 of the Florida Statutes, this Ordinance specifies the requirements for the planning, implementation and receipt of funds under the State Housing Initiatives Partnership (SHIP) Program as governed by Chapter 420, Florida Statutes, and Rule 67-37, Florida Administrative Code.

SECTION 3. DEFINITIONS OF TERMS

For purposes of their use in this Ordinance, specific terms shall be defined as follows:

- (1) “Adjusted for Family Size” - means adjusted in a manner which results in an income eligibility level that is lower for households having fewer than four people, or higher for households having more than four people, than the base income eligibility determination as provided under the definitions for a “low-income person,” “moderate-income person,” or a “very-low-income person,” based upon a formula established by the U. S. Department of Housing and Urban Development (“HUD”).
- (2) “Adjusted Gross Income” - means all wages, assets, regular cash or non-cash contributions or gifts from persons outside the household, and such other resources and benefits as may be determined to be income by HUD adjusted for family size, minus the deductions allowable under Section 62 of the Internal Revenue Code.
- (3) “Affordable” - means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated under the definitions for a “low-income person,” “moderate-income person,” or a “very-low-income person.” However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark. The term also includes housing provided by a not-for-profit corporation that derives at least 75 percent of its annual revenues from contracts or services provided to a state or federal agency for low-income persons and low-income households; that provides supportive housing for persons who suffer from mental health issues, substance abuse, or domestic violence; and that provides on-premises social and community support services relating to job training, life skills training, alcohol and substance abuse disorders, child care, and client case management.
- (4) “Annual Gross Income” – means annual income as defined under the Section 8 housing assistance payments programs in 24 C.F.R. part 5; annual income as reported under the census long form for the recent available decennial census; or adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 for individual federal annual income tax purposes or as defined by standard practices used in the lending industry as detailed in the local housing assistance plan and approved by the corporation. Counties and eligible municipalities shall calculate income by annualizing verified sources of income for the household as the amount of income to be received in a household during the 12 months following the effective date of the determination.
- (5) “Award” - means a loan, grant, or subsidy funded wholly or partially by the local housing distribution of SHIP funds.

(6) “Community-Based Organization” - means a nonprofit organization that has among its purposes the provision of affordable housing to persons who have special needs or have very low income, low income, or moderate income within a designated area, which may include a municipality, a county, or more than one municipality or county, and maintains, through a minimum of one-third representation on the organization’s governing board, accountability to housing program beneficiaries and residents of the designated area.

(7) “Eligible Housing” - means any real and personal property located within the county or the eligible municipality which is designed and intended for the primary purpose of providing decent, safe, and sanitary residential units that are designed to meet the standards of the Florida Building Code or previous building codes adopted under chapter 553, or manufactured housing constructed after June 1994 and installed in accordance with the installation standards for mobile or manufactured homes contained in rules of the Department of Highway Safety and Motor Vehicles, for home ownership or rental for eligible persons as designated by each county or eligible municipality participating in the State Housing Initiatives Partnership Program.

(8) “Eligible Municipality” - means a municipality that is eligible for federal community development block grant entitlement moneys as an entitlement community identified in 24 C.F.R. s. 570, subpart D, Entitlement Grants, or a nonentitlement municipality that is receiving local housing distribution funds under an interlocal agreement that provides for possession and administrative control of funds to be transferred to the nonentitlement municipality. An eligible municipality that defers its participation in community development block grants does not affect its eligibility for participation in the State Housing Initiatives Partnership Program.

(9) “Eligible Person” or “Eligible Household” - means one or more natural persons or a family determined by the county or eligible municipality to be of very low income, low income, or moderate income according to the income limits adjusted to family size published annually by the United States Department of Housing and Urban Development based upon the annual gross income of the household.

(10) “Eligible Sponsor” - means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.

(11) “Grant” - means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially assist in the construction, rehabilitation, or financing of eligible housing or to provide the cost of tenant or ownership qualifications without requirement for repayment as long as the condition of award is maintained.

(12) “Homeownership” - means a distribution of a portion of a local housing distribution to an eligible person or eligible sponsor for construction, rehabilitation, purchase, or lease, purchase financing of owner-occupied eligible housing.

(13) “Loan” - means an award from the local housing assistance trust fund to an eligible sponsor or eligible person to partially finance the acquisition, construction, or rehabilitation of eligible housing with requirement for repayment or provision for forgiveness of repayment if the condition of the award is maintained.

(14) “Local Housing Assistance Plan” - means a concise description of the local housing assistance strategies and local housing incentive strategies adopted by local government resolution with an explanation of the way in which the program meets the requirements of ss. 420.907-420.9079, and Rule 67-37, Florida Administrative Code.

(15) “Local Housing Partnership” - means the implementation of the local housing assistance plan in a manner that involves the applicable county or eligible municipality, lending institutions, housing builders and developers, real estate professionals, advocates for low-income persons, community-based housing and service organizations, and providers of professional services relating to affordable housing. The term includes initiatives to provide support services for housing program beneficiaries such as training to prepare persons for the responsibility of homeownership, counseling of tenants, and the establishing of support services such as day care, health care, and transportation.

(16) “Low-income Person” or “Low-income Household” - means one or more natural persons or a family that has a total annual gross household income that does not exceed 80 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever amount is greatest. With respect to rental units, the low-income household’s annual income at the time of initial occupancy may not exceed 80 percent of the area’s median income adjusted for family size. While occupying the rental unit, a low-income household’s annual income may increase to an amount not to exceed 140 percent of 80 percent of the area’s median income adjusted for family size.

(17) “Moderate-Income Person” or “Moderate-income Household” - means one or more natural persons or a family that has a total annual gross household income that does not exceed 120 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental units, the moderate-income household’s annual income at the time of initial occupancy may not exceed 120 percent of the area’s median income adjusted for family size. While occupying the rental unit, a moderate-income household’s annual income may increase to an amount not to exceed 140 percent of 120 percent of the area’s median income adjusted for family size.

(18) “Personal Property” - means major appliances, including a freestanding refrigerator or stove, to be identified on the encumbering documents.

(19) “Person With Special Needs” – means an adult person requiring independent

living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under s. 409.1451(5); a survivor of domestic violence as defined in s. 741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans' disability benefits.

(20) "Very Low-Income Persons" or "Very-Low-Income Household" - means one or more natural persons or a family that has a total annual gross household income that does not exceed 50 percent of the median annual income adjusted for family size for households within the metropolitan statistical area, the county, or the nonmetropolitan median for the state, whichever is greatest. With respect to rental units, the very-low-income household's annual income at the time of initial occupancy may not exceed 50 percent of the area's median income adjusted for family size. While occupying the rental unit, a very-low-income household's annual income may increase to an amount not to exceed 140 percent of 50 percent of the area's median income adjusted for family size.

SECTION 4. LOCAL HOUSING ASSISTANCE TRUST FUND

There shall be created within the official fiscal and accounting records of the City of Pensacola, a specially designated and dedicated LOCAL HOUSING ASSISTANCE TRUST FUND, hereinafter referred to as "LOCAL FUND." The LOCAL FUND shall be created by the City within thirty (30) days of the effective date of this Ordinance, and shall be administered by the City Finance Department. Said LOCAL FUND shall be solely reserved for the deposit and expenditure of funds in support of the Local Housing Assistance Program, hereinafter referred to as "PROGRAM," as required by Chapter 420, Florida Statutes, and Rule 67-37, Florida Administrative Code. Said LOCAL FUND shall be audited annually and the financial condition thereof shall be separately stated in the audited financial statements of the City. Copies of said audit shall be provided to the Florida Housing Finance Corporation, and/or other agencies designated by law. Amounts on deposit in the LOCAL FUND shall be properly invested by the City Finance Department with a qualified depository as defined in Chapter 280, Florida Statutes. All investment earnings shall be retained in the LOCAL FUND and used for the purposes thereof.

SECTION 5. ESTABLISHMENT OF THE LOCAL HOUSING ASSISTANCE PROGRAM

A. There is hereby created the PENSACOLA HOUSING ASSISTANCE PROGRAM, hereinafter referred to as "PROGRAM", which provides for utilization of SHIP funds in conformity with provisions of Chapter 420, Florida Statutes, and Rule 67-37, Florida Administrative Code.

B. To facilitate the PROGRAM, the City shall adopt by Resolution a local housing assistance plan as defined herein and in Section 420.9071(15), Florida

Statutes, to be implemented through a local housing partnership as defined herein and in Section 420.9071(19), Florida Statutes.

C. The City shall use the funds received from the State pursuant to the SHIP Act to implement the PROGRAM. The SHIP funds shall be generally distributed among the following locally designed strategies:

(1) SHIP funds may be utilized to provide local cash matching for Federal housing programs, including: HOME Investment Partnerships Program, Housing Opportunities for People Everywhere (HOPE), McKinney Act Homeless Assistance programs, and other related Federal and/or State of Florida programs requiring local financial participation. SHIP funds expended for this purpose shall be allocated only for activities which are dually eligible under Chapter 420, Florida Statutes and the governing Federal Regulations or Florida Statutes. When SHIP funds are used for these programs, the specific activities shall be to provide local twenty-five (25) percent cash matching for the HOME Investment Partnerships Program for the Escambia/Pensacola HOME Consortium as created pursuant to the National Affordable Housing Act. Funds shall be primarily expended in concurrence with HOME activities, including substantial rehabilitation and reconstruction of severely substandard homeowner occupied housing for eligible families, and support for acquisition and/or rehabilitation of rental properties by local Community Housing Development Organizations (CHDO) to preserve and expand affordable rental housing opportunities for eligible families.

(2) SHIP funds may be used for homeownership activities to provide down-payment assistance, construction subsidies, mortgage reduction payments, mortgage interest rate subsidies, and/or direct mortgage loans to very low, low and/or moderate-income families to allow said families to purchase newly constructed or existing affordable housing or maintain affordable housing in accordance with provisions of Chapter 420, Florida Statutes. Specific activities shall be:

- a. Rehabilitation/Reconstruction: Funds shall be used to provide flexible low interest loan and deferred loan/ grant assistance to eligible homeowners living in severely substandard housing as necessary to rehabilitate the housing unit in conformance with local building codes and/or to construct a replacement unit if rehabilitation is not economically viable.
- b. Impact fee assistance: Funds may be made available for the payment of impact fees for eligible housing for eligible persons, but shall be expressly limited to such payment only in circumstances where such fees cannot be legally waived.
- c. New construction: Eligible sponsors shall be awarded funds to construct eligible housing for eligible low and moderate income first time homebuyers. This strategy will involve the participation of local lenders providing mortgage financing and local for profit and non-profit developers/builders providing housing development and construction services.
- d. Homebuyer Assistance: Funds shall be utilized to assist

eligible persons in attaining homeownership through mortgage subsidy/write-down, interest rate reductions, and/or low or no interest loans for down payments, principal mortgage reduction, and closing costs associated with the purchase of newly constructed or existing affordable housing. This strategy shall require the continuing participation of local financial institutions for private mortgage financing for eligible families. The capability of this program to aid in meeting Community Reinvestment Act requirements for such lenders will be a primary focus.

- e. Acquisition/Rehabilitation: Funds shall be used to acquire existing properties and to the extent necessary rehabilitate such properties for resale at discounted prices to eligible families.
- f. Housing Rehabilitation/Emergency Repair: Funds may be used to provide low interest or deferred payment loans or grants to eligible homeowners to provide moderate repairs to address life safety conditions and other necessary repairs. Emergency housing repairs may be provided through existing weatherization program service providers pursuant to Sections 409.509-409.5093, Florida Statutes.

(3) SHIP funds may be used for rental activities, to provide construction subsidies, mortgage loans or grants for rental development or preservation, or rental assistance to benefit very low and low-income households in accordance with provisions of Chapter 420, Florida Statutes. Specific activities may supplement existing Florida Housing Finance Corporation projects or activities undertaken within the City specifically for the purpose of providing additional funding for the Florida Housing Finance Corporation's State Apartment Incentive Loan (SAIL) projects, Low Income Housing Tax Credits (LIHTC) projects, or other opportunities within the City.

(4) SHIP funds may be used for disaster recovery for federally or State declared disasters. The City may provide short or long term housing recovery support for homeowners and renters as outlined in its current local housing assistance plan.

D. The City hereby specifically determines that the cost of administering the PROGRAM shall not exceed ten (10) percent of the funding received from the State pursuant to the SHIP Act. The City determines that ten (10) percent of the available funds will be required to support administrative costs based upon: paperwork and reporting requirements for application and receipt of funds, program monitoring requirements staff support for advisory committee activities, fiscal management and control, level of ongoing staff liaison with various organizations and agencies, administrative effort necessary to legally integrate varied rules and regulations of SHIP and other housing programs, and general project management and data collection.

E. The PROGRAM shall include all other lawful objectives not previously listed herein if said objectives have been adopted by the City Council by Resolution into the Local Housing Assistance Plan ("Plan") in the manner provided for by Sections 420.907-420.9079, Florida Statutes and Rule 67-37, Florida Administrative Code.

SECTION 6. INTENT AND PURPOSE OF THE LOCAL HOUSING ASSISTANCE PROGRAM

The intent and purpose of the PROGRAM is:

- (1) To increase the availability of affordable housing units by compiling cost-saving measures into a Local Housing Assistance Program and using private and public funds to reduce the cost of housing;
- (2) To promote more compact urban development and assist in achieving the growth management goals contained in the city's adopted local comprehensive plan, by allowing more efficient use of land so as to provide housing units that are affordable to persons with special needs, very low-income, low-income, or moderate-income;
- (3) To promote innovative design of eligible housing that provides cost savings; flexible design options for housing and development such as the pursuit of innovative architectural styles, building forms, and development requirements; and positive design alternations, without compromising the quality of the eligible housing;
- (4) To promote mixed-income housing in urban, suburban, and rural areas so as to provide increased housing and economic opportunities for persons with special needs and who are very low-income, low-income, or moderate-income; and
- (5) To develop the organizational and technical capacity of community-based organizations so as to optimize the role of such organizations in the production of affordable housing.

SECTION 7. SHIP PROGRAM ADMINISTRATION AND IMPLEMENTATION

A. The Housing Department shall be responsible for the general oversight, planning, implementation, and administration of the PROGRAM.

B. The administrative staff designated by the City shall have the responsibilities listed as follows:

- (1) To monitor the success of the PROGRAM and provide advice and suggestions regarding the potential for improvement of the PROGRAM from year to year.

(2) To coordinate with the Florida Housing Finance Corporation in facilitating the funding of the PROGRAM, in submitting annual reports, and other activities as may be required for continued receipt of PROGRAM funds.

(3) To coordinate local programs such as community loan funds, inclusionary housing programs, and linkage programs, with state programs such as, the Housing Predevelopment Trust Fund (HPTF), Homeownership Assistance Program (HAP), Single Family Mortgage Revenue Bond (MRB) Program, and State Apartment Incentive Loan (SAIL) Program; and with federal programs such as, the Community Development Block Grant (CDBG) Program, Home Investment Partnership Program (HOME), Low Income Housing Tax Credit (LIHTC) Program, and Section 8 Rental Assistance so as to maximize the production of eligible housing through the PROGRAM.

(4) To set up PROGRAM advertisements as required; to provide workshops for potential buyers, lenders, nonprofit and for profit developers to advise of program requirements and potential funding opportunities; to document household income eligibility and eligible housing under the PROGRAM; to prepare PROGRAM documents as necessary to implement the PROGRAM; to provide oversight and monitoring of contractors, developers, sponsors or subrecipients receiving PROGRAM funds; and other duties as necessary to implement the PROGRAM.

C. The total amount paid for any administrative expenses in connection with the PROGRAM will not exceed ten (10) percent of the proceeds of the local SHIP funding distribution.

D. The City shall not treat as administrative expenses any costs previously borne by another funding source which could or may continue to be available from or paid by the said funding source at the time the Plan is submitted.

(1) The City and all eligible sponsors shall not discriminate in the loan application process involving eligible persons and eligible housing on the basis of race, creed, religion, color, age, sex, sexual preference, marital status, familial status, national origin, or handicap.

(2) The City shall comply with rules and regulations of the Florida Housing Finance Corporation in required reporting of City compliance with its PROGRAM.

(3) Prior to award, the City will document all persons or sponsors for eligibility in accordance with Sections 420.907-420.9079, Florida Statutes, the local housing assistance plan, and this Ordinance. All eligible persons or eligible sponsors shall execute an agreement and/or encumbrance agreeing to comply with the above-described laws in accordance with terms outlined in the local housing assistance plan. Failure to comply with the PROGRAM terms in the mortgage, lien, or agreement shall result in a default of the encumbrance with all

remedies and rights for enforcement inuring to the benefit of the City.

(4) Eligible sponsors receiving assistance from both SHIP Program and the Low Income Housing Tax Credit (LIHTC) Program shall be required to comply with the income, affordability, and other LIHTC requirements. Similarly, any eligible sponsor or person receiving assistance from SHIP and other Federal programs shall be required to comply with any requirements specified by the Federal program in addition to SHIP requirements.

SECTION 8. AFFORDABLE HOUSING ADVISORY COMMITTEE

A. The PENSACOLA AFFORDABLE HOUSING ADVISORY COMMITTEE, hereinafter referred to as "COMMITTEE", shall consist of a minimum of eight (8) but not more than eleven (11) members appointed by the City Council of the City of Pensacola. Appointment of individuals to the Committee shall be by Resolution of the City Council. A simple majority of the membership of said Committee shall be required to conduct official business, and all Committee meetings shall be publicly advertised or noticed in the local print media having the largest community-wide circulation.

B. Said COMMITTEE must consist of one locally elected official and one representative from at least six of the categories below:

- (1) A citizen who is actively engaged in the residential home building industry in connection with affordable housing.
- (2) A citizen who is actively engaged in the banking or mortgage banking industry in connection with affordable housing.
- (3) A citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.
- (4) A citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing.
- (5) A citizen who is actively engaged as a for-profit provider of affordable housing.
- (6) A citizen who is actively engaged as a not-for-profit provider of affordable housing.
- (7) A citizen who is actively engaged as a real estate professional in connection with affordable housing.
- (8) A citizen who actively serves on the local planning agency pursuant to s. 163.3174. If the local planning agency is comprised of the governing board of the county or municipality, the governing board may appoint a designee who is knowledgeable in the local planning process.
- (9) A citizen who resides within the jurisdiction of the local governing body

making the appointments.

(10) A citizen who represents employers within the jurisdiction.

(11) A citizen who represents essential services personnel, as defined in the local housing assistance plan.

C. The COMMITTEE shall serve in an advisory capacity and shall minimally perform the review functions stipulated in Section 420.9076, Florida Statutes, including the development of recommendations to the City Council regarding actions to address impediments, create incentives or support expansion of affordable housing opportunities within the City of Pensacola. Said recommendations shall be in the form of a Local Affordable Housing Incentive Plan which shall be presented to the City Council by representatives of the COMMITTEE. Within 90 days after the date of receipt of the evaluation and local housing incentive strategies recommendations from the advisory committee, the governing body of the appointing local government shall adopt an amendment to its local housing assistance plan to incorporate the local housing incentive strategies it will implement within its jurisdiction.

D. Members shall initially serve for three-year terms and may be reappointed for subsequent terms.

E. Meetings shall be held no less frequently than quarterly.

F. The COMMITTEE shall comply with the Government in the Sunshine Law, the public records law, and the special provisions regarding notice of Affordable Housing Incentive Plan considerations found in Chapter 420 et seq., Florida Statutes. Minutes of the meeting shall be kept by the City.

G. The COMMITTEE shall annually elect a Chairperson, Vice-Chairperson, and such other offices as it deems necessary. The Chairperson is charged with the duty of conducting meetings in a manner consistent with law.

H. Staff, administrative and facility support for the COMMITTEE shall be provided by the City.

I. The COMMITTEE shall review the established policies and procedures, ordinances, land development regulations, and adopted local comprehensive plan of the City, and shall recommend specific initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value, as consistent with applicable law.

J. Recommendations may include the modification or repeal of existing policies, procedures, ordinances, regulations, or plan provisions. At a minimum, the COMMITTEE shall make recommendations on affordable housing incentives in the following areas:

(1) The support of development near transportation hubs and major employment centers and mixed-use developments.

(2) The expedited processing of permits for affordable housing projects.

- (3) The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment.
- (4) The allowance of increased density levels.
- (5) The reservation of infrastructure capacity for housing for very low-income persons, low income, and moderate-income persons.
- (6) Affordable accessory residential units.
- (7) The reduction of parking and setback requirements.
- (8) The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.
- (9) The modifications of sidewalk and street requirements.
- (10) The establishment of a process by which the City considers, before adoption, procedures, policies, ordinances, regulations, or plan provisions that have a significant impact on the cost of housing.
- (11) The preparation of a printed inventory of locally owned public lands suitable for affordable housing.

K. The COMMITTEE recommendations shall also include any other affordable housing incentives as identified by the COMMITTEE.

L. To the maximum extent feasible, the approved affordable housing incentive recommendations submitted to the City Council must quantify the affordable housing cost reduction anticipated from implementing the specific recommendation.

SECTION 9. LOCAL HOUSING INCENTIVE STRATEGIES

The City reaffirms that permits for affordable housing projects are expedited to a greater degree than other projects and that the COMMITTEE provides an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption.

SECTION 10. CONFLICTS

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 11. SEVERABILITY

If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or

unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 12. EFFECTIVE DATE

This Ordinance shall take effect thirty (30) days after its passage by the City Council.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk



Business Impact Estimate

This form should be included in agenda packet for the item under which the proposed ordinance is to be considered, and must be posted on the City's website by the time notice of the proposed ordinance is published.

Proposed ordinance's title/reference: PROPOSED ORDINANCE 2-25-AN ORDINANCE REPEALING AND REPLACING, IN ITS ENTIRETY, ORDINANCE NO. 1-93 OF THE CITY OF PENSACOLA, FLORIDA, THE "PENSACOLA AFFORDABLE HOUSING ORDINANCE" RELATING TO THE STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE

The City is of the view that the exception(s) to the Business Impact Estimate requirement that are checked off in a box below apply to the above-referenced proposed ordinance, although the City is implementing the procedure required by statutory law to ensure that no inadvertent procedural issue could impact the enactment of the proposed ordinance.

- ☒ The proposed ordinance is required for compliance with Federal or State law or regulation;
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☐ The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant, or other financial assistance accepted by the
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement; or
- ☐ The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, *Florida Statutes*, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Sections 190.005 and 190.046, *Florida Statutes*, regarding community development districts;
 - c. Section 553.73, *Florida Statutes*, relating to the *Florida Building Code*; or
 - d. Section 633.202, *Florida Statutes*, relating to the *Florida Fire Prevention Code*.

In accordance with the provisions of controlling law, even notwithstanding the fact that, an exemption noted above may apply, the City hereby publishes the following information:

1. Summary of the proposed ordinance (must include statement of the public purpose, such as serving the public health, safety, morals, and welfare):

In 1993, City Council adopted Ordinance 1-93 in order to become eligible for receipt of State Housing Initiatives Partnership (SHIP) Program funds from the State of Florida. The repeal and replacement of this Ordinance will allow the City to better administer the SHIP program by modifying various components of the Ordinance that are out of date due to changes in Florida Statutes as well as update the parameters for implementation and administration of the SHIP program by the City.

2. Estimate of direct economic impact of the proposed ordinance on private, for-profit businesses in the City:

The new Ordinance outlines the continued provision of SHIP funds to private for profit business (including contractors and developers) supplying affordable housing to income eligible households.

3. Estimate of direct compliance costs that businesses may reasonably incur:

None

4. Any new charge or fee imposed by the proposed ordinance:

None

5. Estimate of the City's regulatory costs, including estimated revenues from any new charges or fees to cover such costs:

No new charges or fees.

6. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

Estimate of 5-15 businesses delivering or providing services for SHIP eligible housing and households per calendar year.

7. Additional information (if any, but may wish to include the methodology used to derive information for #1 and #2, above. For example: City staff solicited comments from businesses in the City as to the potential impact of the proposed ordinance by contacting the chamber of commerce, social media posting, direct mail or direct email, posting on City website, public workshop, etc. You may also wish to include efforts made to reduce the potential fiscal impact on businesses based on feedback from businesses. You may also wish to state here that the proposed ordinance is a generally applicable ordinance that applies to all persons similarly situated (individuals as well as businesses) and, therefore, the proposed ordinance does not impose costs only upon businesses.):

N/A



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-431

City Council

4/24/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-22 - PURCHASE OF TWO (2) NEW
WAY SIDE LOADER REFUSE TRUCKS

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2025-22.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR
THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE
DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #4: Resilient Waterfronts and
Neighborhoods.

Sanitation Services has been leasing two refuse trucks during fiscal years 2024 and 2025.
However, we would like to request to purchase the two leased Sidewinder refuse trucks
instead of continuing the lease arrangement. This move will provide Sanitation Services with
permanent vehicles for the routes they serve. Leasing trucks has several drawbacks. Without
ownership, Sanitation Services is unable to apply a vehicle wrap, meaning the trucks remain
plain white with no signage to identify them as official City Sanitation vehicles. By purchasing
the trucks, Sanitation Services not only gains long-term cost savings but also enhances its
visibility within the community, proudly showcasing its role in delivering essential services to
residents.

PRIOR ACTION:

None.

FUNDING:

Budget:	\$291,500	Capital Reserve
	<u>454,500</u>	Capital Reserve Fund Balance
	<u>\$746,000</u>	
Actual:	\$746,000	Trucks Purchase

FINANCIAL IMPACT:

Currently, there is \$291,500.00 appropriated in the capital reserve account. Upon Council approval, those funds will be transferred towards the truck purchase account. Additionally, adoption of the supplemental budget resolution will appropriate the Capital Reserve Fund Balance to provide the remaining funds needed to purchase the two trucks.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Tim Kinsella, City Administrator
Amy Miller, Deputy City Administrator
Darryl Singleton, Pensacola Energy and Sanitation Services Director

ATTACHMENTS:

1. Supplemental Budget Explanation No. 2025-22
2. Supplemental Budget Resolution No. 2025-22

PRESENTATION: No

THE CITY OF PENSACOLA

APRIL 2025 - SUPPLEMENTAL BUDGET RESOLUTION - SANITATION REPLACEMENT VEHICLES - TWO (2) WAY SIDE LOADER REFUSE TRUCKS- EXPLANATION NO. 2025-22

FUND	AMOUNT	DESCRIPTION
SANITATION FUND		
Fund Balance	<u>454,500</u>	Increase appropriated fund balance
Appropriations		
Capital Outlay - Capital Reserve	(291,500)	Decrease appropriation for Capital Outlay - Capital Reserve
Capital Outlay	369,000	Increase appropriation for Capital Outlay
Capital Outlay	<u>377,000</u>	Increase appropriation for Capital Outlay
Total Appropriations	<u>454,500</u>	

**RESOLUTION
NO. 2025-22**

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR
THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA

SECTION 1. The following appropriations from funds on hand in the fund accounts stated below, not heretofore appropriated, and transfer from funds on hand in the various accounts and funds stated below, heretofore appropriated, be, and the same are hereby made, directed and approved to-wit:

A. SANITATION FUND

	Fund Balance	454,500
As Reads:	Capital Outlay - Capital Reserve	291,500
Amended		
To Read:	Capital Outlay - Capital Reserve	0
As Reads:	Capital Outlay	1,531,586
Amended		
To Read:	Capital Outlay	2,277,586

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-416

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

DEFENSE INFRASTRUCTURE GRANT AGREEMENT - STATE OF FLORIDA
DEPARTMENT OF COMMERCE

RECOMMENDATION:

That the City Council approve the acceptance of the Defense Infrastructure Grant - Department of Commerce for the acquisition of strategically located land near Naval Air Station Pensacola to develop affordable housing for military personnel and their families in the amount of \$608,200 with a \$182,460 local match for a total grant value of \$790,660. Further, that City Council authorize the Mayor to take the actions necessary to execute and administer this grant, consistent with the terms of the grant and the Mayor's Executive Powers as granted in the City Charter. Finally, that City Council adopt a supplemental budget resolution appropriating the grant funds.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #1: Attainable Housing for All Income Levels.

The Defense Infrastructure Grant is a grant program designed to address deficiencies in community infrastructure that supports a military installation's readiness. This project supports this by working to address the rising housing costs in the region, which have created significant financial burdens for military families, particularly junior enlisted personnel. These funds will be used by the City to purchase strategically located land within the City limits and near NAS Pensacola for use in future affordable housing projects. By securing this land, the project ensures the long-term availability of affordable housing options, enhancing the quality of life for service members and supporting military readiness. The grant stipulates that funds be expended by June 30, 2027.

PRIOR ACTION:

N/A

FUNDING:

Budget:	\$608,200	Defense Infrastructure Grant
	<u>\$182,460</u>	Local CRA match funds
	\$790,660	Total

Actual:	\$50,000	Real Estate Due Diligence
	<u>\$740,660</u>	Property Acquisition
	\$790,660	Total

FINANCIAL IMPACT:

Funding will come from a combination of grant funds and required matching funds. The matching funds are currently appropriated in the Community Redevelopment Agency. Final account will be dependent on the location of the acquired land (Westside or Urban Core). Adoption of the supplemental budget resolution will appropriate the grant funds.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

STAFF CONTACT:

Tim Kinsella, City Administrator
Erica Grancagnolo, Economic Development Director
Anna Kate Baygents, Economic Development Administrator

ATTACHMENTS:

1. DIG AGREEMENT

PRESENTATION: No

**DEFENSE INFRASTRUCTURE GRANT AGREEMENT
STATE OF FLORIDA
DEPARTMENT OF COMMERCE**

THIS GRANT AGREEMENT NUMBER S0277 (“Agreement”) is made and entered into by and between the State of Florida, Department of Commerce (“Commerce”), and the City of Pensacola (“Grantee”). Commerce and Grantee are sometimes referred to herein individually as a “Party” and collectively as “the Parties.”

WHEREAS, Commerce has the authority to enter into this Agreement and distribute State of Florida funds (“Award Funds”) in the amount and manner set forth in this Agreement and in the following Attachments incorporated herein as an integral part of this Agreement:

- **Attachment 1: Scope of Work**
 - Exhibit 1 to Attachment 1: Quarterly Report**
 - Exhibit 2 to Attachment 1: Financial Report**
 - Exhibit 3 to Attachment 1: Grantee Invoice**
- **Attachment 2: Audit Requirements**
 - Exhibit 1 to Attachment 2: Additional Audit Requirements**
- **Attachment 3: Audit Compliance Certification**
- **Attachment 4: Minority and Service-Disabled Veteran Business Enterprise Form**

WHEREAS, the Agreement and its aforementioned Attachments are hereinafter collectively referred to as the “Agreement,” and if any inconsistencies or conflict between the language of this Agreement and its Attachments arise, then the language of the Attachments shall control, but only to the extent of the conflict or inconsistency;

WHEREAS, Grantee hereby represents and warrants that Grantee’s signatory to this Agreement has authority to bind Grantee to this Agreement as of the Effective Date and that Grantee, through its undersigned duly authorized representative in his or her official capacity, has the authority to request, accept, and expend Award Funds for Grantee’s purposes in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, for and in consideration of the covenants and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereby agree to perform the duties described herein in this Agreement as follows:

A. AGREEMENT PERIOD

This Agreement is effective as of July 1, 2024 (the “Effective Date”) and shall continue until the earlier to occur of: (a) June 30, 2027 (the “Expiration Date”) or (b) the date on which either Party terminates this Agreement (the “Termination Date”). The period of time between the Effective Date and the Expiration Date or Termination Date is the “Agreement Period.”

B. FUNDING

This Agreement is a cost reimbursement Agreement. Commerce shall pay Grantee up to **Six Hundred and Eight Thousand Two Hundred Dollars and Zero Cents (\$608,200.00)** in consideration for Grantee’s performance under this Agreement. Commerce may provide Grantee an advance of Award Funds (up to 25% of the grant’s total value) under this Agreement. Any advance payment under this

Agreement is subject to section 216.181(16), F.S. Travel expenses are not authorized under this Agreement. Commerce shall not pay Grantee's costs related to this Agreement incurred outside of the Agreement Period. In conformity with s. 287.0582, F.S., the State of Florida and Commerce's performance and obligation to pay any Award Funds under this Agreement is contingent upon an annual appropriation by the Legislature. Commerce shall have final unchallengeable authority as to both the availability of funds and what constitutes an "annual appropriation" of funds. Grantee shall not expend Award Funds for the purpose of lobbying the Legislature, the judicial branch, or a state agency. Grantee shall not expend Award Funds to pay any costs incurred in connection with any defense against any claim or appeal of the State of Florida or any agency or instrumentality thereof (including Commerce); or to pay any costs incurred in connection with the prosecution of any claim or appeal against the State of Florida or any agency or instrumentality thereof (including Commerce), which Grantee instituted or in which Grantee has joined as a claimant. Grantee shall either: (i) maintain Award Funds in a separate bank account, or (ii) expressly designate in Grantee's business records and accounting system that the Award Funds originated from this Agreement. Grantee shall not commingle Award Funds with any other funds. Commerce may refuse to reimburse Grantee for purchases made with commingled funds. Grantee's costs must be in compliance with all laws, rules, and regulations applicable to expenditures of State funds, including the Reference Guide for State Expenditures (<https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf>).

C. ELECTRONIC FUNDS TRANSFER

Within 30 calendar days of the date the last Party has signed this Agreement, Grantee shall enroll in Electronic Funds Transfer (EFT) from the State's Chief Financial Officer. A copy of the Authorization form can be found on the vendor instruction page at: <https://www.myfloridacfo.com/Division/AA/Vendors/>. Any questions should be directed to the Direct Deposit/EFT Section of the Division of Accounting and Auditing at (850) 413-5517. Once enrolled, invoice payments shall be made by EFT.

D. MODIFICATION

If, in Commerce's sole and absolute determination, changes to this Agreement are necessitated by law or otherwise, Commerce may at any time, with written notice of all such changes to Grantee, modify this Agreement within its original scope and purpose. Grantee shall be responsible for any due diligence necessary to determine the impact of the modification. Any modification of this Agreement requested by Grantee must be in writing and duly signed by all Parties in order to be enforceable.

E. AUDIT REQUIREMENTS AND COMPLIANCE

1. **Florida Single Audit Act - Section 215.97, Florida Statutes ("F.S.")**. Grantee shall comply with all applicable provisions of s. 215.97, F.S., s. 215.971, F.S., and Attachment 2 and Exhibit 1 to Attachment 2: Audit Requirements. Grantee shall perform the deliverables and tasks set forth in Attachment 1, Scope of Work. Grantee may only expend Award Funds for allowable costs resulting from obligations incurred during the Agreement Period. Grantee shall refund to Commerce any: (1) balance of unobligated Award Funds which have been advanced or paid to Grantee; or (2) Award Funds paid in excess of the amount to which Grantee is entitled under the terms and conditions of this Agreement and Attachments hereto, upon expiration or termination of this Agreement.
2. **Audit Compliance**. Grantee understands and shall comply with the requirements of s. 20.055(5), F.S. Grantee agrees to reimburse the State for the reasonable costs of investigation the Inspector General or other authorized State official incurs for investigations of Grantee's compliance with the terms of this or any other agreement between the Grantee and the State which results in the suspension or

debarment of Grantee. Grantee shall not be responsible for any costs of investigations that do not result in Grantee's suspension or debarment.

F. RECORDS AND INFORMATION RELEASE

1. **Records Compliance.** Commerce is subject to the provisions of chapter 119, F.S., relating to public records. Any document Grantee submits to Commerce under this Agreement may constitute public records under the Florida Statutes. Grantee shall cooperate with Commerce regarding Commerce's efforts to comply with the requirements of chapter 119, F.S. Grantee shall respond to requests to inspect or copy such records in accordance with chapter 119, F.S., for records made or received by Grantee in connection with this Agreement. Grantee shall immediately notify Commerce of the receipt and content of any records request by sending an e-mail to PRRequest@commerce.fl.gov within one (1) business day after receipt of such request. Grantee shall indemnify, defend, and hold Commerce harmless from any violation of Florida's public records laws wherein Commerce's disclosure or nondisclosure of any public record was predicated upon any act or omission of Grantee. As applicable, Grantee shall comply with s. 501.171, F.S. Commerce may terminate this Agreement if Grantee fails to comply with Florida's public records laws. Grantee shall allow public access to all records made or received by Grantee in connection with this Agreement, unless the records are exempt from s. 24(a) of Article I of the State Constitution or s. 119.07(1), F.S.
2. **Identification of Records.** Grantee shall clearly and conspicuously mark all records submitted to Commerce if such records are confidential and exempt from public disclosure. Grantee's failure to clearly mark each record and identify the legal basis for each exemption from the requirements of chapter 119, F.S., prior to delivery of the record to Commerce serves as Grantee's waiver of a claim of exemption. Grantee shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for as long as those records are confidential and exempt pursuant to Florida law. If Commerce's claim of exemption asserted in response to Grantee's assertion of confidentiality is challenged in any court of law, Grantee shall defend, assume, and be responsible for all fees, costs, and expenses in connection with such challenge.
3. **Keeping and Providing Records.** Commerce and the State have an absolute right to view, inspect, or make or request copies of any records arising out of or related to this Agreement. Grantee has an absolute duty to keep and maintain all records arising out of or related to this Agreement. Commerce may request copies of any records made or received in connection with this Agreement, or arising out of Grantee's use of Award Funds, and Grantee shall provide Commerce with copies of any records within 10 business days after Commerce's request at no cost to Commerce. Grantee shall maintain all books, records, and documents in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all expenditures of Award Funds. For avoidance of doubt, Grantee's duties to keep and provide records to Commerce includes all records generated in connection with or as a result of this Agreement. Upon expiration or termination of this Agreement, Grantee shall transfer, at no cost, to Commerce all public records in possession of Grantee or keep and maintain public records required by Commerce to perform the service. If Grantee keeps and maintains public records upon completion of this Agreement, Grantee shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Commerce, upon request from Commerce's custodian of records, in a format that is compatible with the information technology systems of Commerce.
4. **Audit Rights.** Representatives of the State of Florida, Commerce, the State Chief Financial Officer, the State Auditor General, the Florida Office of Program Policy Analysis and Government Accountability or representatives of the federal government and their duly authorized representatives shall have access to any of Grantee's books, documents, papers, and records, including electronic

storage media, as they may relate to this Agreement, for the purposes of conducting audits or examinations or making excerpts or transcriptions.

5. **Single Audit Compliance Certification.** Annually, within 60 calendar days of the close of Grantee's fiscal year, Grantee shall electronically submit a completed Audit Compliance Certification (a version of this certification is attached hereto as Attachment 3) to audit@commerce.fl.gov. Grantee's timely submittal of one completed Audit Compliance Certification for each applicable fiscal year will fulfill this requirement for all agreements between Commerce and Grantee.
6. **Ensure Compliance.** Grantee shall ensure that any entity which is paid from, or for which Grantee's expenditures will be reimbursed by, Award Funds, is aware of and will comply with the aforementioned audit and record keeping requirements.
7. **Contact Custodian of Public Records for Questions.**

IF THE GRANTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE GRANTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS by telephone at (850) 245-7140, via e-mail at PRRequest@commerce.fl.gov, or by mail at Department of Commerce, Public Records Coordinator, 107 East Madison Street, Caldwell Building, Tallahassee, Florida 32399-4128.

G. TERMINATION AND FORCE MAJEURE

1. **Termination due to Lack of Funds:** In the event funds to finance this Agreement become unavailable or if federal or state funds upon which this Agreement is dependent are withdrawn or redirected, Commerce may terminate this Agreement upon no less than 24 hour written notice to Grantee. Commerce shall be the final authority as to the availability of funds and will not reallocate funds earmarked for this Agreement to another program thus causing "lack of funds." In the event of termination of this Agreement under this provision, Grantee will be paid for any work satisfactorily completed prior to notification of termination. The lack of funds shall not constitute Commerce's default under this Agreement.
2. **Termination for Cause:** Commerce may terminate the Agreement if Grantee fails to: (1) deliver the services within the time specified in the Agreement or any extension; (2) maintain adequate progress, thus endangering performance of the Agreement; (3) honor any term of the Agreement; or (4) abide by any statutory, regulatory, or licensing requirement. The rights and remedies of Commerce in this clause are in addition to any other rights and remedies provided by law or under the Agreement. Grantee shall not be entitled to recover any cancellation charges or lost profits.
3. **Termination for Convenience:** Commerce, by written notice to Grantee, may terminate this Agreement in whole or in part when Commerce determines in Commerce's sole and absolute discretion that it is in Commerce's interest to do so. Grantee shall not provide any deliverable pursuant to Attachment 1: Scope of Work after it receives the notice of termination, except as Commerce

otherwise specifically instructs Grantee in writing. Grantee shall not be entitled to recover any cancellation charges or lost profits.

4. **Grantee's Responsibilities Upon Termination:** If Commerce issues a Notice of Termination to Grantee, except as Commerce otherwise specifies in that Notice, Grantee shall: (1) Stop work under this Agreement on the date and to the extent specified in the notice; (2) complete performance of such part of the work Commerce does not terminate; (3) take such action as may be necessary, or as Commerce may specify, to protect and preserve any property which is in the possession of Grantee and in which Commerce has or may acquire an interest; and (4) upon the effective date of termination, Grantee shall transfer, assign, and make available to Commerce all property and materials belonging to Commerce pursuant to the terms of this Agreement and all Attachments hereto. Grantee shall not receive additional compensation for Grantee's services in connection with such transfers or assignments.
5. **Force Majeure and Notice of Delay from Force Majeure.** Neither Party shall be liable to the other for any delay or failure to perform under this Agreement if such delay or failure is neither the fault nor the negligence of the Party or its employees or agents and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Party's control, or for any of the foregoing that affects subcontractors or suppliers if no alternate source of supply is available. However, in the event of delay from the foregoing causes, the Party shall take all reasonable measures to mitigate any and all resulting delay or disruption in the Party's performance obligation under this Agreement. If the delay is excusable under this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE section, the delay will not result in any additional charge or cost under the Agreement to either Party. In the case of any delay Grantee believes is excusable under this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE section, Grantee shall notify Commerce in writing of the delay or potential delay and describe the cause of the delay either: (1) within 10 calendar days after the cause that creates or will create the delay first arose, if Grantee could reasonably foresee that a delay could occur as a result; or (2) within five calendar days after the date Grantee first had reason to believe that a delay could result, if the delay is not reasonably foreseeable. THE FOREGOING SHALL CONSTITUTE GRANTEE'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY. Providing notice in strict accordance with this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE section is a condition precedent to such remedy. Commerce, in its sole discretion, will determine if the delay is excusable under this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE section and will notify Grantee of its decision in writing. No claim for damages, other than for an extension of time, shall be asserted against Commerce. Grantee shall not be entitled to an increase in the Agreement price or payment of any kind from Commerce for direct, indirect, consequential, impact, or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this FORCE MAJEURE AND NOTICE OF DELAY FROM FORCE MAJEURE section, after the causes have ceased to exist, Grantee shall perform at no increased cost, unless Commerce determines, in its sole discretion, that the delay will significantly impair the value of the Agreement to Commerce or the State, in which case, Commerce may terminate the Agreement in whole or in part.

H. BUSINESS WITH PUBLIC ENTITIES

Grantee is aware of and understands the provisions of s. 287.133(2)(a), F.S., and s. 287.134(2)(a), F.S. As required by s. 287.135(5), F.S., Grantee certifies that it is not: (1) listed on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725, F.S.; (2) engaged in a boycott of Israel; (3) listed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to s. 215.473, F.S.; or (4) engaged in business

operations in Cuba or Syria. Commerce may immediately terminate this Agreement if Grantee submits a false certification as to the above, or if Grantee is placed on the Scrutinized Companies that Boycott Israel List, engages in a boycott of Israel, is placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or has engaged in business operations in Cuba or Syria.

I. CONTINUING DISCLOSURE OF LEGAL PROCEEDINGS

Prior to execution of this Agreement, Grantee must disclose in a written statement to Commerce's Agreement Manager all prior or on-going civil or criminal litigation, investigations, arbitration or administrative proceedings (collectively "Proceedings") involving this Agreement. Thereafter, Grantee has a continuing duty to promptly disclose all Proceedings upon occurrence. This duty of disclosure applies to Grantee's or subcontractor's officers and directors when any Proceeding relates to the officer or director's business or financial activities. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated as such. Grantee shall promptly notify Commerce's Agreement Manager of any Proceeding relating to or affecting the Grantee's or subcontractor's business. If the existence of such Proceeding causes the State concern about Grantee's ability or willingness to perform the Agreement, then upon Commerce's request, Grantee shall provide to Commerce's Agreement Manager all reasonable assurances that: (i) Grantee will be able to perform the Agreement in accordance with its terms and conditions; and (ii) Grantee and/or its employees, agents, or subcontractor(s) have not and will not engage in conduct in performing services for Commerce which is similar in nature to the conduct alleged in such Proceeding.

J. ADVERTISING AND SPONSORSHIP DISCLOSURE

1. **Limitations on Advertising of Agreement.** Commerce does not endorse any Grantee, commodity, or service. Subject to chapter 119, F.S., Grantee shall not publicly disseminate any information concerning this Agreement without prior written approval from Commerce, including, but not limited to mentioning this Agreement in a press release or other promotional material, identifying Commerce or the State as a reference, or otherwise linking Grantee's name and either a description of the Agreement or the name of Commerce or the State in any material published, either in print or electronically, to any entity that is not a Party to this Agreement, except potential or actual authorized distributors, dealers, resellers, or service representatives.
2. **Disclosure of Sponsorship.** As required by s. 286.25, F.S., if Grantee is a nongovernmental organization which sponsors a program financed wholly or in part by state funds, including any funds obtained through this Agreement, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: "Sponsored by (Grantee's name) and the State of Florida, Department of Commerce." If the sponsorship reference is in written material, the words "State of Florida, Department of Commerce" shall appear in the same size letters or type as the name of the organization.

K. RECOUPMENT OF FUNDS

1. **Recoupment.** Notwithstanding anything in this Agreement to the contrary, Commerce has an absolute right to recoup Award Funds. Commerce may refuse to reimburse Grantee for any cost if Commerce determines that such cost was not incurred in compliance with the terms of this Agreement. Commerce may demand a return of Award Funds if Commerce terminates this Agreement. The application of financial consequences as set forth in the Scope of Work is cumulative to any of Commerce's rights to recoup Award Funds. Notwithstanding anything in this Agreement to the

contrary, in no event shall the application of any financial consequences or recoupment of Award Funds exceed the amount of Award Funds, plus interest.

2. **Overpayments.** If Grantee's (a) noncompliance with this Agreement or any applicable federal, state, or local law, rule, regulation or ordinance, or (b) performance or nonperformance of any term or condition of this Agreement results in: (i) an unlawful use of Award Funds; (ii) a use of Award Funds that doesn't comply with the terms of this Agreement; or (iii) a use which constitutes a receipt of Award Funds to which Grantee is not entitled (each such event an "Overpayment"), then Grantee shall return such Overpayment of Award Funds to Commerce.
3. **Discovery of Overpayments.** Grantee shall refund any Overpayment of Award Funds to Commerce within 30 days of Grantee's discovery of an Overpayment or receipt of notification from Commerce that an Overpayment has occurred. Commerce is the final authority as to what may constitute an Overpayment of Award Funds. Refunds should be sent to Commerce's Agreement Manager and made payable to the "Department of Commerce." Should repayment not be made in a timely manner, Commerce may charge interest at the lawful rate of interest on the outstanding balance beginning 30 days after the date of notification or discovery.
4. **Right of Set-Off.** Commerce and the State shall have all of its common law, equitable, and statutory rights of set-off, including, without limitation, the State's option to withhold for the purposes of set-off any moneys due to Grantee under this Agreement up to any amounts due and owing to Commerce with respect to this Agreement, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this Agreement, plus any amounts due and owing to the State for any other reason. The State shall exercise its set-off rights in accordance with normal State practices, including, in cases of set-off pursuant to an audit, the finalization of such audits by the State or its representatives.

L. INSURANCE

Unless Grantee is a state agency or subdivision as defined in s. 768.28(2), F.S., Grantee shall provide and maintain at all times during this Agreement adequate commercial general liability insurance coverage. A self-insurance program established and operating under the laws of the State of Florida may provide such coverage.

Grantee, at all times during the Agreement, at Grantee's sole expense, shall provide commercial insurance of such a type and with such terms and limits as may be reasonably associated with this Agreement, which, as a minimum, shall be workers' compensation and employer's liability insurance in accordance with chapter 440, F.S., with minimum employer's liability limits of \$100,000 per accident, \$100,000 per person, and \$500,000 policy aggregate. Such policy shall cover all employees engaged in any Agreement work.

Grantee shall maintain insurance coverage of such types and with such terms and limits as may be reasonably associated with this Agreement, as required by law, and as otherwise necessary and prudent for the Grantee's performance of its operations in the regular course of business. The limits of coverage under each policy maintained by Grantee shall not be interpreted as limiting Grantee's liability and obligations under this Agreement. All insurance policies shall be through insurers licensed and authorized to write policies in Florida, and such policies shall cover all employees engaged in any Agreement work. Grantee shall maintain any other insurance required in the Scope of Work. Upon request, Grantee shall produce evidence of insurance to Commerce.

Commerce shall not pay for any costs of any insurance or policy deductible, and payment of any insurance costs shall be Grantee's sole responsibility. Providing and maintaining adequate insurance coverage is a material obligation of Grantee, and failure to maintain such coverage may void the Agreement, at

Commerce's sole and absolute discretion, after Commerce's review of Grantee's insurance coverage when Grantee is unable to comply with Commerce's requests concerning additional appropriate and necessary insurance coverage. Upon execution of this Agreement, Grantee shall provide Commerce written verification of the existence and amount for each type of applicable insurance coverage. Within 30 calendar days of the effective date of the Agreement, Grantee shall furnish Commerce proof of applicable insurance coverage by standard Cooperative Operations Research and Development (ACORD) form certificates of insurance. In the event that an insurer cancels any applicable coverage for any reason, Grantee shall immediately notify Commerce of such cancellation and shall obtain adequate replacement coverage conforming to the requirements herein and provide proof of such replacement coverage within 15 business days after the cancellation of coverage. Copies of new insurance certificates must be provided to Commerce's Agreement Manager with each insurance renewal.

M. CONFIDENTIALITY AND SAFEGUARDING INFORMATION

Each Party may have access to confidential information made available by the other. The provisions of the Florida Public Records Act, Chapter 119, F.S., and other applicable state and federal laws will govern disclosure of any confidential information received by the State of Florida.

Grantee must implement procedures to ensure the appropriate protection and confidentiality of all data, files, and records involved with this Agreement.

Except as necessary to fulfill the terms of this Agreement and with the permission of Commerce, Grantee shall not divulge to third parties any confidential information obtained by Grantee or its agents, distributors, resellers, subcontractors, officers, or employees in the course of performing Agreement work, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of the State or Commerce.

Grantee shall not use or disclose any information concerning a recipient of services under this Agreement for any purpose in conformity with state and federal law or regulations, except upon written consent of the recipient or the responsible parent or guardian of the recipient when authorized by law.

When Grantee has access to Commerce's network and/or applications, in order to fulfill Grantee's obligations under this Agreement, Grantee shall abide by all applicable Commerce Information Technology Security procedures and policies. Grantee (including its employees, subcontractors, agents, or any other individuals to whom Grantee exposes confidential information obtained under this Agreement), shall not store, or allow to be stored, any confidential information on any portable storage media (*e.g.*, laptops, thumb drives, hard drives, *etc.*) or peripheral device with the capacity to hold information. Failure to strictly comply with this provision shall constitute a breach of Agreement.

Grantee shall immediately notify Commerce in writing when Grantee, its employees, agents, or representatives become aware of an inadvertent disclosure of Commerce's unsecured confidential information in violation of the terms of this Agreement. Grantee shall report to Commerce any Security Incidents of which it becomes aware, including incidents sub-contractors or agents reported to Grantee. For purposes of this Agreement, "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of Commerce information in Grantee's possession or electronic interference with Commerce operations; provided, however, that random attempts at access shall not be considered a security incident. Grantee shall make a report to Commerce not more than seven business days after Grantee learns of such use or disclosure. Grantee's report shall identify, to the extent known: (i) the nature of the unauthorized use or disclosure, (ii) the confidential information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Grantee has done or shall do to mitigate any detrimental effect of the unauthorized use or disclosure, and (v) what corrective action Grantee has taken or shall take to prevent future similar unauthorized use or disclosure.

Grantee shall provide such other information, including a written report, as Commerce's Information Security Manager requests.

In the event of a breach of security concerning confidential personal information involved with this Agreement, Grantee shall comply with s. 501.171, F.S., as applicable. When notification to affected persons is required by statute, Grantee shall provide that notification, but only after receipt of Commerce's written approval of the contents of the notice. Defined statutorily, and for purposes of this Agreement, "breach of security" or "breach" means the unauthorized access of data in electronic form containing personal data. Good faith acquisition of personal information by an employee or agent of Grantee is not a breach, provided the information is not used for a purpose unrelated to Grantee's obligations under this Agreement or is not subject to further unauthorized use.

N. PATENTS, COPYRIGHTS, AND ROYALTIES

1. All legal title and every right, interest, claim or demand of any kind, in and to any patent, trademark or copyright, or application for the same, or any other intellectual property right to, the work developed or produced under or in connection with this Agreement, is the exclusive property of Commerce to be granted to and vested in the Florida Department of State for the use and benefit of the state; and no person, firm or corporation shall be entitled to use the same without the written consent of the Florida Department of State. Any contribution by Grantee or its employees, agents or contractors to the creation of such works shall be considered works made for hire by Grantee for Commerce and, upon creation, shall be owned exclusively by Commerce. To the extent that any such works may not be considered works made for hire for Commerce under applicable law, Grantee agrees, upon creation of such works, to automatically assign to Commerce ownership, including copyright interests and any other intellectual property rights therein, without the necessity of any further consideration.
2. If any discovery or invention arises or is developed in the course or as a result of work or services performed with funds from this Agreement, Grantee shall refer the discovery or invention to Commerce who will refer it to the Department of State to determine whether patent protection will be sought in the name of the State of Florida.
3. Where activities supported by this Agreement produce original writings, sound recordings, pictorial reproductions, drawings, or other graphic representations and works of any similar nature Commerce has the right to use, duplicate, and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to allow others acting on behalf of Commerce to do so. Grantee shall give Commerce written notice when any books, manuals, films, websites, web elements, electronic information, or other copyrightable materials are produced.
4. Notwithstanding any other provisions herein, in accordance with s. 1004.23, F.S., a State University is authorized in its own name to perform all things necessary to secure letters of patent, copyrights, and trademarks on any works it produces. Within 30 calendar days of same, the president of a State University shall report to the Department of State any such university's action taken to secure or exploit such trademarks, copyrights, or patents in accordance with s. 1004.23(6), F.S.

O. INFORMATION TECHNOLOGY RESOURCE

Grantee shall obtain prior written approval from the appropriate Commerce authority before purchasing any Information Technology Resource (ITR) or conducting any activity that will impact Commerce's electronic information technology equipment or software, in any way. ITR includes computer hardware, software, networks, devices, connections, applications, and data. Grantee shall contact the Commerce

Agreement Manager listed herein in writing for the contact information of the appropriate Commerce authority for any such ITR purchase approval.

P. NONEXPENDABLE PROPERTY

1. For the requirements of this Nonexpendable Property section of the Agreement, "nonexpendable property" is the same as "property" as defined in s. 273.02, F.S., (equipment, fixtures, and other tangible personal property of a non-consumable and nonexpendable nature).
2. All nonexpendable property, purchased under this Agreement, shall be listed on the property records of Grantee. Grantee shall inventory annually and maintain accounting records for all nonexpendable property purchased and submit an inventory report to Commerce with the final expenditure report. The records shall include, at a minimum, the following information: property tag identification number, description of the item(s), physical location, name, make or manufacturer, year, and/or model, manufacturer's serial number(s), date of acquisition, and the current condition of the item.
3. At no time shall Grantee dispose of nonexpendable property purchased under this Agreement without the written permission of and in accordance with instructions from Commerce.
4. Immediately upon discovery, Grantee shall notify Commerce, in writing, of any property loss with the date and reason(s) for the loss.
5. Grantee shall be responsible for the correct use of all nonexpendable property Grantee purchases or Commerce furnishes under this Agreement.
6. A formal Agreement amendment is required prior to the purchase of any item of nonexpendable property not specifically listed in Attachment 1: Scope of Work.
7. Upon the Expiration Date of this Agreement, Grantee is authorized to retain ownership of any nonexpendable property purchased under this Agreement; however, Grantee hereby grants to Commerce a right of first refusal in all such property prior to disposition of any such property during its depreciable life, in accordance with the depreciation schedule in use by Grantee. Grantee shall provide written notice of any such planned disposition and await Commerce's response prior to disposing of the property. "Disposition" as used herein, shall include, but is not limited to, Grantee no longer using the nonexpendable property for the uses authorized herein, the sale, exchange, transfer, trade-in, or disposal of any such nonexpendable property. Commerce, in its sole discretion, may require Grantee to refund to Commerce the fair market value of the nonexpendable property at the time of disposition rather than taking possession of the nonexpendable property.

Q. REQUIREMENTS APPLICABLE TO THE PURCHASE OF OR IMPROVEMENTS TO REAL PROPERTY

In accordance with s. 287.05805, F.S., if funding provided under this Agreement is used for the purchase of or improvements to real property, Grantee shall grant Commerce a security interest in the property in the amount of the funding provided by this Agreement for the purchase of or improvements to the real property for five years from the date of purchase or the completion of the improvements or as further required by law.

Upon the Expiration Date of the Agreement, Grantee shall be authorized to retain ownership of the improvements to real property set forth in this Agreement in accordance with the following: Grantee is authorized to retain ownership of the improvements to real property so long as: (1) Grantee is not sold, merged or acquired; (2) the real property subject to the improvements is owned by Grantee; and (3) the

real property subject to the improvements is used for the purposes provided in this Agreement. If within five years of the termination of this Agreement, Grantee is unable to satisfy the requirements stated in the immediately preceding sentence, Grantee shall notify Commerce in writing of the circumstances that will result in the deficiency upon learning of it, but no later than 30 calendar days prior to the deficiency occurring. In such event, Commerce shall have the right, within its sole discretion, to demand reimbursement of part or all of the funding provided to Grantee under this Agreement.

R. CONSTRUCTION AND INTERPRETATION

The title, section, and paragraph headings in this Agreement are for convenience of reference only and shall not govern or affect the interpretation of any of the terms or provisions of this Agreement. The term "Agreement" means this Agreement together with all attachments and exhibits hereto, as the same may from time to time be amended, modified, supplemented, or restated in accordance with the terms hereof. The use in this Agreement of the term "including" and other words of similar import mean "including, without limitation" and where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit, or restrict in any manner the construction of the general statement to which it relates. The word "or" is not exclusive and the words "herein," "hereof," "hereunder," and other words of similar import refer to this Agreement, including any Exhibits and Attachments, and not to any particular section, subsection, paragraph, subparagraph, or clause contained in this Agreement. As appropriate, the use herein of terms importing the singular shall also include the plural, and vice versa. The reference to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof and the reference to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. All references to "\$" shall mean United States dollars. The term "Grantee" includes any person or entity which has been duly authorized to and has the actual authority to act or perform on Grantee's behalf. The term "Commerce" includes the State of Florida and any successor office, department, or agency of Commerce, and any person or entity which has been duly authorized to and has the actual authority to act or perform on Commerce's behalf. The recitals of this Agreement are incorporated herein by reference and shall apply to the terms and provisions of this Agreement and the Parties. Time is of the essence with respect to the performance of all obligations under this Agreement. Each Party has read and understands this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

S. CONFLICT OF INTEREST

This Agreement is subject to chapter 112, F.S. Grantee shall disclose the name of any officer, director, employee, or other agent who is also an employee of the State. Grantee shall also disclose the name of any State employee who owns, directly or indirectly, more than a 5% interest in Grantee or its affiliates.

T. GRANTEE AS INDEPENDENT CONTRACTOR

Grantee is at all times acting and performing as an independent contractor. Commerce has no ability to exercise any control or direction over the methods by which Grantee may perform its work and functions, except as provided herein. Nothing in this Agreement may be understood to constitute a partnership or joint venture between the Parties.

U. EMPLOYMENT ELIGIBILITY VERIFICATION – E-VERIFY

1. E-Verify is an Internet-based system that allows an employer, using information reported on an employee's Form I-9, Employment Eligibility Verification, to determine the eligibility of all new

employees hired to work in the United States. There is no charge to employers to use E-Verify. The Department of Homeland Security's E-Verify system can be found at: <https://www.e-verify.gov/>.

2. In accordance with section 448.095, F.S., the State of Florida expressly requires the following:
 - a) Every public agency and its contractors and subcontractors shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. A public agency or a contractor or subcontractor thereof may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.
 - b) An employer shall verify each new employee's employment eligibility within three (3) business days after the first day that the new employee begins working for pay as required under 8 C.F.R. 274a. Beginning July 1, 2023, a private employer with 25 or more employees shall use the E-Verify system to verify a new employee's employment eligibility.
3. If Grantee does not use E-Verify, Grantee shall enroll in the E-Verify system prior to hiring any new employee or retaining any contract employee after the effective date of this Agreement.

V. NOTIFICATION OF INSTANCES OF FRAUD

Upon discovery, Grantee shall report all known or suspected instances of Grantee, or Grantee's agents, contractors or employees, operational fraud or criminal activities to Commerce's Agreement Manager in writing within 24 chronological hours.

W. NON-DISCRIMINATION

Grantee shall not discriminate unlawfully against any individual employed in the performance of this Agreement because of race, religion, color, sex, physical handicap unrelated to such person's ability to engage in this work, national origin, ancestry, or age. Grantee shall provide a harassment-free workplace, with any allegation of harassment to be given priority attention and action.

X. ASSIGNMENTS

Grantee shall not assign, subcontract, or otherwise transfer its rights, duties, or obligations under this Agreement, by operation of law or otherwise, without the prior written consent of Commerce, which consent may be withheld in Commerce's sole and absolute discretion. Commerce is at all times entitled to assign or transfer its rights, duties, or obligations under this Agreement to another governmental entity in the State of Florida. Any attempted assignment of this Agreement or any of the rights hereunder by Grantee in violation of this provision shall be void *ab initio*.

Y. ENTIRE AGREEMENT; SEVERABILITY

This Agreement, and the attachments and exhibits hereto, embodies the entire agreement of the Parties with respect to the subject matter hereof. There are no provisions, terms, conditions, or obligations other than those contained in this Agreement; and this Agreement supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties. If a court of competent jurisdiction voids or holds unenforceable any provision of this Agreement, then that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable, and all other provisions shall remain in full force and effect. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. If any

inconsistencies or conflict between the language of this Agreement and its Attachments arise, then the language of the attachments shall control, but only to the extent of the conflict or inconsistency.

Z. WAIVER; GOVERNING LAW; ATTORNEYS' FEES, DISPUTE RESOLUTION

1. **Waiver.** No waiver by Commerce of any of provision herein shall be effective unless explicitly set forth in writing and signed by Commerce. No waiver by Commerce may be construed as a waiver of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure by Commerce to exercise, or delay in exercising, any right, remedy, power or privilege under this Agreement may be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies set forth herein are cumulative and not exclusive.
2. **Governing Law.** The laws of the State of Florida shall govern the construction, enforcement, and interpretation of this Agreement, regardless of and without reference to whether any applicable conflicts of laws principles may point to the application of the laws of another jurisdiction. The Parties expressly consent to exclusive jurisdiction and venue in any state court located in Leon County, Florida, and waive any defense of forum non conveniens, lack of personal jurisdiction, or like defense. IN ANY LEGAL OR EQUITABLE ACTION BETWEEN THE PARTIES, THE PARTIES HEREBY EXPRESSLY WAIVE TRIAL BY JURY TO THE FULLEST EXTENT PERMITTED BY LAW.
3. **Attorneys' Fees, Expenses.** Except as set forth otherwise herein, each of the Parties shall pay its own attorneys' fees and costs in connection with the execution and delivery of this Agreement and the transactions contemplated hereby.
4. **Dispute Resolution.** Commerce shall decide disputes concerning the performance of the Agreement, and Commerce shall serve written notice of same to Grantee. Commerce's decision shall be final and conclusive unless within 21 calendar days from the date of receipt, Grantee files with Commerce a petition for administrative hearing. Commerce's final order on the petition shall be final, subject to any right of Grantee to judicial review pursuant to chapter 120.68, F.S. Exhaustion of administrative remedies is an absolute condition precedent to Grantee's ability to pursue any other form of dispute resolution; provided however, that the Parties may employ the alternative dispute resolution procedures outlined in chapter 120, F.S.

AA. INDEMNIFICATION

If Grantee is a state agency or subdivision, as defined in s. 768.28(2), F.S., pursuant to s. 768.28(19), F.S., neither Party indemnifies nor insures or assumes any liability for the other Party for the other Party's negligence.

1. Grantee shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless the State and Commerce, and their officers, agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Grantee, its agents, employees, partners, or subcontractors; provided, however, that Grantee shall not indemnify, defend, and hold harmless the State and Commerce, and their officers, agents, and employees for that portion of any loss or damages the negligent act or omission of Commerce or the State proximately caused.
2. Further, Grantee shall fully indemnify, defend, and hold harmless the State and Commerce from any suits, actions, damages, and costs of every name and description, including attorneys' fees,

arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right; provided, however, that the foregoing obligation shall not apply to Commerce's misuse or modification of Grantee's products or Commerce operation or use of Grantee's products in a manner not contemplated by this Agreement. If any product is the subject of an infringement suit, or in Grantee's opinion is likely to become the subject of such a suit, Grantee may, at Grantee's sole expense, procure for Commerce the right to continue using the product or to modify it to become non-infringing. If Grantee is not reasonably able to modify or otherwise secure for Commerce the right to continue using the product, Grantee shall remove the product and refund Commerce the amounts paid in excess of a reasonable fee, as determined by Commerce in its sole and absolute discretion, for past use. Commerce shall not be liable for any royalties.

3. Grantee's obligations under the two immediately preceding paragraphs above, with respect to any legal action are contingent upon the State or Commerce giving Grantee: (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Grantee's sole expense, and (3) assistance in defending the action at Grantee's sole expense. Grantee shall not be liable for any cost, expense, or compromise incurred or made by the State or Commerce in any legal action without Grantee's prior written consent, which shall not be unreasonably withheld.
4. The State and Commerce may, in addition to other remedies available to them at law or equity and upon notice to Grantee, retain such monies from amounts due Grantee as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them. The State may set off any liability or other obligation of Grantee or its affiliates to the State against any payments due Grantee under any Agreement with the State.

BB. CONTACT INFORMATION FOR GRANTEE AND COMMERCE CONTACTS

Grantee's Payee:

City of Pensacola
222 West Main Street
Pensacola, Florida 32502
850-435-1603
jhollon@cityofpensacola.com

Grantee's Agreement Manager:

Anna Kate Baygents
222 West Main Street
Pensacola, Florida 32502
850-435-1643
abaygents@cityofpensacola.com

Commerce's Agreement Manager:

Christopher Weller
107 E. Madison St.
Tallahassee, FL 32399
850-717-8962
Christopher.Weller@Commerce.fl.gov

Commerce's Secondary Agreement Manager:

Tim MacGregor
107 E. Madison St.
Tallahassee, FL 32399
850-717-8976
Timothy.macgregor@commerce.fl.gov

CC. NOTICES

The Parties' respective contact information is set forth in the immediately preceding paragraph and may be subject to change at the Parties' discretion. If the contact information changes, the Party making such change will notify the other Party in writing. Where the term "written notice" is used to specify a notice requirement herein, said notice shall be deemed to have been given: (i) when personally delivered; (ii) when transmitted via email, if the sender on the same day sends a confirming copy of such notice by certified or registered mail;

(iii) the next business day following the day on which the same has been delivered prepaid to a recognized overnight delivery service; or (iv) the third business day following the day on which the same is sent by certified or registered mail, postage prepaid, with return receipt.

IN WITNESS THEREOF, and in consideration of the mutual covenants set forth above and in all attachments hereto, the Parties, through their duly authorized representatives, sign this Agreement and represent and warrant that they understand the Agreement and Attachments’ terms and conditions as of the Effective Date.

**FLORIDA DEPARTMENT
OF COMMERCE**

By _____
Signature

Title J. Alex Kelly
Secretary

Date _____

Approved as to form and legal sufficiency,
subject only to full and proper execution by
the Parties.

**OFFICE OF GENERAL COUNSEL
DEPARTMENT OF COMMERCE**

By: _____

Approved Date: _____

CITY OF PENSACOLA

By _____
Signature

Title D.C. Reeves
Mayor

Date _____

Approved as to form and legal sufficiency,
subject only to full and proper execution by the
Parties

**OFFICE OF THE CITY ATTORNEY
CITY OF PENSACOLA**

By: _____
Adam C. Cobb, City Attorney

Approved Date: _____

Attest:

Ericka L. Burnett, City Clerk

Approved as to Substance:

Erica Grancagnolo, Director of Economic
Development

ATTACHMENT 1
SCOPE OF WORK

A. PROJECT DESCRIPTION: This project will acquire strategically located land near Naval Air Station (NAS) Pensacola to develop affordable housing for military personnel and their families. The project aims to address the rising housing costs in the region, which have created significant financial burdens for military families, particularly junior enlisted personnel. By securing this land, the project ensures long-term availability of affordable housing options, enhancing the quality of life for service members and supporting military readiness.

Funding for this appropriation is located on line 2368 of the 2024-2025 General Appropriations Act.

B. GRANTEE RESPONSIBILITIES: Grantee shall, in addition to all other requirements set forth in the Agreement and this Scope of Work, perform the following activities:

- 1. Real Estate Pre-Acquisition Due Diligence:** The grantee shall procure an appraisal, environmental site assessment (if required), survey and determine closing costs for identified property(ies) near NAS Pensacola.
- 2. Closing on Purchase(s):** The grantee shall close on the real estate identified for housing development) and retain a copy of the recorded deed.

Provide a minimum of \$182,460.00 in subcontracted services as match for the Project, by the end of the Agreement period. Grantee shall provide a letter and supporting documentation to Commerce’s Agreement Manager which demonstrates that the Grantee met its match requirements, including, but not necessarily limited to the source of the contribution; the amount of each contribution and provide a summary of all match contributions. Commerce reserves the right to request any additional documentation Commerce deems necessary to support the Grantee’s claim that it has met the match requirement. Commerce shall retain five percent (5%) of the total grant award as a financial consequence if Grantee fails to provide proof of match funds.

C. COMMERCE’S RESPONSIBILITIES: Commerce shall monitor progress, review reports, conduct site visits as determined necessary by Commerce, and process payments to Grantee.

D. DELIVERABLES: Grantee agrees to provide the following services as specified:

Deliverable No. 1 – Real Estate Pre-Acquisition Due Diligence		
Tasks	Minimum Level of Service	Financial Consequences
Grantee will perform real estate pre-acquisition due diligence as detailed in Section B.1. of this Scope of Work on or before June 30, 2027.	Grantee may request reimbursement on a quarterly basis, upon the completion at least one (1) of the following items as detailed in Section B.1. of this Scope of Work (note: all items shall be completed for full payment of the task): A. An appraisal(s), environmental site assessment(s) (if required), survey(ies), and determine closing costs for identified property(ies); and B. Invoice package as defined in Section F of this Scope of Work.	Failure to meet the Minimum Level of Service shall result in non-payment of this task.

Deliverable 1 - \$50,000.00		
Deliverable No. 2 – Closing on Conservation Purchase(s)		
Tasks	Minimum Level of Service	Financial Consequences
Grantee will close on land purchases as detailed in Section B.2. of this Scope of Work on or before June 30, 2027.	Grantee may request reimbursement on a quarterly basis, upon the completion at least one (1) of the following items as detailed in Section B.2. of this Scope of Work (note: all items shall be completed for full payment of the task): A. Copies of closing documentation and copy(ies) of the recorded deed(s); and B. Original invoice(s) and receipts in sufficient detail to evidence the costs are allowable, reasonable, and necessary; and C. Invoice package as defined in Section F of this Scope of Work.	Failure to meet the Minimum Level of Service shall result in non-payment of this task.
Deliverable 2 - \$ 558,200.00		
TOTAL AWARD NOT TO EXCEED: \$608,200.00		

COST SHIFTING: The deliverable amounts specified within the Deliverables section D table above are established based on the Parties' estimation of sufficient delivery of services fulfilling grant purposes under the Agreement in order to designate payment points during the Agreement Period; however, this is not intended to restrict Commerce's ability to approve and reimburse allowable costs Grantee incurred providing the deliverables herein. Prior written approval from Commerce's Agreement Manager is required for changes to the above Deliverable amounts that do not exceed **20%** of each deliverable total funding amount. Changes that exceed **20%** of each deliverable total funding amount will require a formal written amendment request from Grantee, as described in **MODIFICATION** section of the Agreement. Regardless, in no event shall Commerce reimburse costs of more than the total amount of this Agreement.

E. REPORTING:

- Quarterly:** Grantee shall provide a quarterly report listing all progress relating to the Deliverables in Section D. Quarterly reports are due to Commerce within 30 calendar days after the end of each quarter, until submission of the final invoice package. The ending dates for each quarter of the program year are September 30, December 31, March 31, and June 30. The quarterly report shall include a summary of project progress, indicating percentage of completion of each Deliverable, and all additional reports which are required pursuant to this Agreement, including but not limited to, reports documenting the positive return on investment to the State that results from Grantee's project and its use of Award Funds. The summary shall also include any issues or events occurring which affect the ability of the Grantee to meet the terms of this Agreement. **If all required reports and copies are not sent to Commerce or are not completed in a manner acceptable to Commerce, payments may be withheld until the reports are properly completed or otherwise allowable by law.**
- Minority and Service-Disabled Veteran Business Enterprise Report:** Grantee shall provide a Minority and Service-Disabled Veteran Business Enterprise Report (Attachment 4) with each invoice summarizing the participation of certified and non-certified minority and service-disabled veteran subcontractors and material suppliers for that period and the project to date. Grantee shall include the

names, addresses, and dollar amount of each certified and non-certified Minority Business Enterprise and Service-Disabled Veteran Enterprise participant.

3. **Close-out Report:** No later than 60 calendar days after the Agreement ends or is terminated, Grantee shall provide copies of all paid invoices to document completed work.

F. INVOICE SUBMITTAL AND PAYMENT SCHEDULE: Commerce shall pay Grantee in accordance with the following schedule in the amount identified per deliverable in Section D above. The deliverable amount specified does not establish the value of the deliverable. In accordance with the requirements of s. 215.971(1), F.S., and the **Audit Requirements and Compliance** section of this Agreement, Grantee and its subcontractors may only expend funding under this Agreement for allowable costs resulting from obligations incurred during the Agreement period.

1. Grantee shall provide one invoice per quarter for all services rendered during the applicable period. Grantee shall submit invoices as set forth below to be eligible to receive and retain payment for the performance of duties and completion of deliverables set forth above. Grantee shall submit all documentation necessary to support Grantee's expenditures. Commerce may request any information from Grantee that Commerce deems necessary to verify that Grantee has performed the services for which payment is requested. Grantee's submission of each invoice package is Grantee's certification that it has performed the services and incurred the costs in compliance with all applicable laws and the terms of this Agreement. Grantee will provide invoices in accordance with the requirements of the Reference Guide for State Expenditures available at: <https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf>. Invoices must be legible and must clearly reflect the performance for which payment is sought. Payment does not become due under this Agreement until Commerce accepts and approves the invoiced deliverable(s) and any required report(s). At Commerce's option, Grantee may submit invoices electronically. Grantee shall submit its final invoice for payment to Commerce no later than 60 days after this Agreement ends and Commerce may, at Commerce's sole and absolute discretion, refuse to honor any requests for payment submitted after this deadline.
2. Invoices must contain Grantee's name, address, federal employer identification number or other applicable Grantee identification number, the Agreement number, the invoice number, and the invoice period. Grantee shall submit the following documents with the itemized invoice:
 - a. A cover letter signed by Grantee's Agreement Manager certifying that the costs being claimed in the invoice package: (1) are specifically for the project represented to the State in the budget appropriation; (2) are for one or more of the components as stated in Section D, Deliverables, of this Scope of Work; (3) have been paid and (4) were incurred during the Agreement period;
 - b. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and work completed to date.
 - c. For costs related to employee salaries, the following documentation shall be required:
 1. Identification of each employee who performed tasks under this Agreement.
 2. Percentage of each employee's time devoted to tasks under this Agreement, or number of total hours each employee devoted to tasks under this Agreement. If employee is paid hourly, a document reflecting the hours worked times the rate of pay is acceptable; and
 3. Payroll register or similar documentation that shows the employee's gross salary, fringe benefits, other deductions and net pay.
 - d. A copy of all supporting documentation for vendor payments.
 - e. A copy of the cancelled check(s) specific to the project, and a copy of the bank statement that includes the cancelled check, or similar evidence of expenditure (e.g., wire transfer, credit card receipt, etc.).
3. The State may require any other information from Grantee that the State deems necessary to verify that the services have been rendered under the Agreement.
4. All documentation necessary to support payment requests must be submitted with Grantee's invoice for Commerce's review.

5. Grantee's invoice and all documentation necessary to support payment requests must be submitted into Commerce's Subrecipient Enterprise Resource Application (SERA). Further instruction on SERA invoicing and reporting, along with a copy of the invoice template, will be provided upon execution of the Agreement.
6. If the Grantee is a county or municipality that is a rural community or rural area of opportunity as those terms are defined in s. 288.0656(2), F.S., the payment of submitted invoices may be issued for verified and eligible performance that has been completed in accordance with the terms and conditions set forth in this Agreement to the extent that federal or state law, rule, or other regulation allows such payments. Upon meeting either of the criteria set forth below, the Grantee may elect in writing to exercise this provision.
 - a. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., that demonstrates financial hardship; or
 - b. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in s. 288.0656(2), F.S., and which is located in a fiscally constrained county, as defined in section 218.67(1), F.S. If the Grantee meets the criteria set forth in this paragraph, then the Grantee is deemed to have demonstrated a financial hardship.

G. FINANCIAL CONSEQUENCES FOR FAILURE TO TIMELY AND SATISFACTORILY PERFORM: Failure to complete all deliverables in accordance with the requirements of this Agreement, and most particularly the deliverables specified above in Section D, Deliverables, will result in Commerce's assessment of the specified financial consequences. If appropriate, should the Parties agree to a corrective action plan, the plan shall specify additional financial consequences to be applied after the effective date of the corrective action plan. This provision for financial consequences shall in no manner affect Commerce's right to terminate the Agreement as provided elsewhere in the Agreement.

H. ADVANCE PAYMENT: Grantee is allowed to request an advance amount of Agreement funding to ensure timely payment of costs. This advance shall not exceed the expected cash needs of the Grantee within the initial three months of the Agreement Period. Approval of an advance may be subject to prior approval by the Department of Financial Services, to the extent required by law. Any advance payment under this Agreement is subject to section 216.181(16), F.S. To ensure compliance with this directive:

1. Reconciliation of the advance will be conducted prior to your final reimbursement request.
2. The Grantee's performance and compliance to the advance expenditure requirement during this Agreement will be taken into consideration for any advances requested in future Agreements.
3. Grantee must maintain a separate interest-bearing account in a United States banking institution for funds provided under this Agreement, and remit interest earned on the account to Commerce within 30 days of expiration or termination of the Agreement, or apply interest earned against Commerce's obligation to pay under this Agreement.

All payments subsequent to the advance payment shall be made upon presentation of an invoice expenditures and completeness as defined in Section F. of this Scope of Work.

End of Attachment 1 (Scope of Work)

EXHIBIT 1 to Attachment 1
QUARTERLY REPORT

Instructions for Content and Format of Progress Reports:

Pursuant to Attachment 1, Scope of Work, a Quarterly Progress Report shall be completed by the Grantee and submitted through SERA each quarter. Responses should be complete and concise. The information requests included in this report are necessary to keep informed of the project’s progress. This quarterly report shall not be modified other than to add the necessary information to the requests. If a section of this report is not applicable, simply respond “N/A”.

Quarterly progress reports should be submitted no later than 30 business days after the close of each quarter of the Agreement Period.

Grantee Name: _____
Agreement Number: _____
Progress Report # _____ of _____
Reporting Period _____ to _____
Submittal Date _____
End Date of the Agreement _____

1. Was a Minority or Service-Disabled Veteran Business used in this Project? If yes, please provide the Minority and Service-Disabled Veteran Business Report as noted in Attachment 1, Scope of Work, Section E, Reporting.
____ yes ____ no

2. Summary of Deliverables
(Provide the complete list of Deliverables as contained in the Scope of Work using the table format below. Please use **BOLD text** to indicate when actual dates differ from the associated planned date.

Deliverable Name	Start Date		Completion Date		Status (% completed)
	Planned	Actual	Planned	Actual	
Total					

Progress Report Narrative

1. Overall Project Status:
(Provide a summary of the status of the project and list any challenges facing the project and how you plan to address them. Identify any potential agreement changes (e.g., no-cost time extension, budget updates, or schedule changes, cost shifts, etc.) that may be required to address the challenges. Identify any assistance Commerce may be able to provide to assist in resolving the challenge(s)).

2. Summary of Activities:

(Summarize, in a bulleted list, significant project activities and/or accomplishments. Relate these activities and accomplishments to a Deliverable or task listed in the Scope of Work and describe why it is valuable to that deliverable or task.)

3. Meeting and Event Summary:

(A response is required for each item below for each itemized travel expense, included in the quarterly invoice, related to an attended meeting or event.)

a. Meeting/Event Type: (Please select one of the following)

Conference ____ Convention ____ Summit ____ Forum ____
Air Show ____ Business Meeting ____ Board Meeting ____
Other ____

b. Who, from your organization, attended the event and what is their title?

c. What was the purpose of this meeting or event?

d. Did your organization provide any meeting materials at this event? If so, please describe.

e. What knowledge did you obtain?

f. How does your attendance at this event benefit your local community, installation, and taxpayers?

4. What is Expected to be Accomplished During the Next Reporting Period?

(Include a list of significant project activities and/or accomplishments you expect to start and/or complete in the next quarter. Relate these activities to and accomplishments to a Deliverable or task listed in the Scope of Work.)

- End of Exhibit 1 to Attachment 1 -

EXHIBIT 2 to Attachment 1
FINANCIAL REPORT
2023-2024 DEFENSE REINVESTMENT GRANT PROGRAM

(Provide the required information in the table below. The purpose of this table is to help the Grantee and Commerce ensure that project funds and match share are being spent at the expected rate and to assist with payment record keeping.)

Is this the final invoice and report for this Agreement? ___ Yes ___ No

Grantee:		Agreement No.:		Report Date:		Report Number:	
----------	--	----------------	--	--------------	--	----------------	--

Grant Period Ending:		September 30 (Q 1)		December 31 (Q 2)		March 31 (Q 3)		June 30 (Q 4)	Year:	
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Budget Category	Budget			State Funded Program Expenditures		Remaining Balance	
	Award Allocation	Spent to Date	Match Share	Approved Invoices to Date	Outstanding Invoices	State Funding	Match Share
Deliverable 1							
Task 1:	\$	\$	\$	\$	\$	\$	\$
Task 2:	\$	\$	\$	\$	\$	\$	\$
Deliverable 2							
Task 1:	\$	\$	\$	\$	\$	\$	\$
Task 2:	\$	\$	\$	\$	\$	\$	\$
Deliverable 3							
Task 1:	\$	\$	\$	\$	\$	\$	\$
Task 2:	\$	\$	\$	\$	\$	\$	\$
Grand Totals:	\$	\$	\$	\$	\$	\$	\$

Agreement Execution Date		
Agreement End Date		
% of Agreement Term Completed to Date		

- End of Exhibit 2 to Attachment 1 –

Exhibit 3 to Attachment 1
GRANTEE INVOICE

This invoice is a summary of all the costs that you are claiming currently. If the costs encompass multiple deliverables, delineate the costs for each of the deliverables separately.

Grantee Name:_____

Street Address:_____

City, State & Zip Code:_____

Contact Name:_____

Contact Phone:_____

Agreement Number:_____

Invoice Number:_____

Dates of Service:_____

FEIN:_____

Contact Email:_____

To: Florida Department of Commerce
107 East Madison Street
Tallahassee, FL 32399
ATTN: Steven Wood

Deliverable and/or Task Number:			
Payee Name:	Payee Invoice Number:	Payment Confirmation or Check Number:	Amount
Deliverable and/or Task Number:			
Deliverable and/or Task Number:			
Total			

I certify, by evidence of my signature below, the above information is true and correct, and accurately reflects the terms and conditions of the executed contract. I understand that the office of the State Chief Financial Officer reserves the right to require additional documentation and/or to conduct post-audits of any agreements.

Name (printed) _____

Date _____

Signature _____

Title _____

Attachment 2 AUDIT REQUIREMENTS

The administration of resources awarded by Commerce to the recipient (herein otherwise referred to as “Grantee”) may be subject to audits and/or monitoring by Commerce as described in this Attachment 2.

MONITORING. In addition to reviews of audits conducted in accordance with 2 CFR 200, Subpart F - Audit Requirements, and section 215.97, Florida Statutes (F.S.), as revised (see AUDITS below), monitoring procedures may include, but not be limited to, on-site visits by Commerce staff, limited scope audits as defined by 2 CFR §200.425, or other procedures. By entering into this agreement, the recipient agrees to comply and cooperate with any monitoring procedures or processes deemed appropriate by Commerce. In the event the Commerce determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by Commerce staff to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer (CFO) or Auditor General.

AUDITS.

PART I: FEDERALLY FUNDED. This part is applicable if the recipient is a state or local government, or a nonprofit organization as defined in 2 CFR §200.1.

1. A recipient that expends \$750,000 or more in federal awards in its fiscal year must have a single or program-specific audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements. EXHIBIT 1 to this form lists the federal resources awarded through Commerce by this agreement. In determining the federal awards expended in its fiscal year, the recipient shall consider all sources of federal awards, including federal resources received from Commerce. The determination of amounts of federal awards expended should be in accordance with the guidelines established in 2 CFR §§200.502-503. An audit of the recipient conducted by the Auditor General in accordance with the provisions of 2 CFR §200.514 will meet the requirements of this Part.
2. For the audit requirements addressed in Part I, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in 2 CFR §§200.508-512.
3. A recipient that expends less than \$750,000 in federal awards in its fiscal year is not required to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements. If the recipient expends less than \$750,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR 200, Subpart F - Audit Requirements, the cost of the audit must be paid from non-federal resources (i.e., the cost of such an audit must be paid from recipient resources obtained from other than federal entities).

PART II: STATE FUNDED. This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2), Florida Statutes.

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$750,000 in any fiscal year of such recipient (for fiscal years ending June 30, 2017, and thereafter), the recipient must have a state single or project-specific audit for such fiscal year in accordance with section 215.97, F.S.; Rule Chapter 69I-5, F.A.C., State Financial Assistance; and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this form lists the state financial assistance awarded through Commerce by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from Commerce, other state agencies, and other nonstate entities. State financial assistance does not include federal direct or pass-through awards and resources received by a nonstate entity for federal program matching requirements.
2. For the audit requirements addressed in Part II, paragraph 1, the recipient shall ensure that the audit

complies with the requirements of section 215.97(8), F.S. This includes submission of a financial reporting package as defined by section 215.97(2), F.S., and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

3. If the recipient expends less than \$750,000 in state financial assistance in its fiscal year (for fiscal years ending June 30, 2017, and thereafter), an audit conducted in accordance with the provisions of section 215.97, F.S., is not required. If the recipient expends less than \$750,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of section 215.97, F.S., the cost of the audit must be paid from the nonstate entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than state entities).

PART III: OTHER AUDIT REQUIREMENTS.

N/A

PART IV: REPORT SUBMISSION.

1. Copies of reporting packages for audits conducted in accordance with 2 CFR 200, Subpart F - Audit Requirements, and required by Part I of this form shall be submitted, when required by 2 CFR§200.512, by or on behalf of the recipient directly to the Federal Audit Clearinghouse (FAC) as provided in 2 CFR §200.1 and §200.512. The FAC's website provides a data entry system and required forms for submitting the single audit reporting package. Updates to the location of the FAC and data entry system may be found at the OMB website.
2. Copies of financial reporting packages required by Part II of this form shall be submitted by or on behalf of the recipient directly to each of the following:

- a. Commerce at each of the following addresses:

Electronic copies (preferred):
Audit@commerce.fl.gov

or

Paper (hard copy):
 Department of Commerce
 MSC # 75, Caldwell Building
 107 East Madison Street
 Tallahassee, FL 32399-4126

- b. The Auditor General's Office at the following address:

Auditor General
 Local Government Audits/342
 Claude Pepper Building, Room 401
 111 West Madison Street
 Tallahassee, Florida 32399-1450

The Auditor General's website (<https://flauditor.gov/>) provides instructions for filing an electronic copy of a financial reporting package.

3. Copies of reports or the management letter required by Part III of this form shall be submitted by or on behalf of the recipient directly to:

Electronic copies (preferred):

Audit@commerce.fl.gov

or

Paper (hard copy):

Department of Commerce
MSC # 75, Caldwell Building
107 East Madison Street
Tallahassee, FL. 32399-4126

4. Any reports, management letters, or other information required to be submitted Commerce pursuant to this agreement shall be submitted timely in accordance with 2 CFR §200.512, section 215.97, F.S., and Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
5. Recipients, when submitting financial reporting packages to Commerce for audits done in accordance with 2 CFR 200, Subpart F - Audit Requirements, or Chapters 10.550 (local governmental entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

PART V: RECORD RETENTION. The recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five (5) years from the date the audit report is issued, or five (5) state fiscal years after all reporting requirements are satisfied and final payments have been received, whichever period is longer, and shall allow Commerce, or its designee, CFO, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to Commerce, or its designee, CFO, or Auditor General upon request for a period of five (5) years from the date the audit report is issued, unless extended in writing by Commerce. In addition, if any litigation, claim, negotiation, audit, or other action involving the records has been started prior to the expiration of the controlling period as identified above, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the controlling period as identified above, whichever is longer.

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EXHIBIT 1 to Attachment 2

**STATE RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT
CONSIST OF THE FOLLOWING:**

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

State Project FLORIDA DEPARTMENT OF COMMERCE, CSFA 40.040, 40.040, ECONOMIC
DEVELOPMENT PARTNERSHIPS - **\$608,200.00**

**COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED
PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:**

- 1. THE GRANTEE SHALL PERFORM THE OBLIGATIONS AS SET FORTH IN THIS
AGREEMENT, INCLUDING ANY ATTACHEMENTS AND EXHIBITS THERTO.**
- 2. ACTIVITIES ARE LIMITED TO THOSE IN THE SCOPE OF WORK.**

NOTE: 2 CFR § 200.331, as revised, and s. 215.97(5), F.S., require that the information about Federal Programs
and State Projects included in Exhibit 1 be provided to the recipient.

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Attachment 3

AUDIT COMPLIANCE CERTIFICATION

Grantee Name: _____

FEIN: _____

Grantee's Fiscal Year: _____

Contact Person Name and Phone Number: _____

Contact Person Email Address: _____

1. Did Grantee expend state financial assistance, during its fiscal year, that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between Grantee and the Department of Commerce (Commerce)? ____ Yes ____ No

If the above answer is yes, also answer the following before proceeding to item 2:

Did Grantee expend \$750,000 or more of state financial assistance (from Commerce and all other sources of state financial assistance combined) during its fiscal year? ____ Yes ____ No

If yes, Grantee certifies that it will timely comply with all applicable state single or project-specific audit requirements of s. 215.97, Florida Statutes, and the applicable rules of the Department of Financial Services and the Auditor General.

2. Did Grantee expend federal awards, during its fiscal year that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between Grantee and Commerce? ____ Yes ____ No

If the above answer is yes, also answer the following before proceeding to execution of this certification:

Did Grantee expend \$750,000 or more in federal awards (from Commerce and all other sources of federal awards combined) during its fiscal year? ____ Yes ____ No

If yes, Grantee certifies that it will timely comply with all applicable single or program-specific audit requirements of 2 CFR Part 200, Subpart F, as revised.

By signing below, I certify, on behalf of Grantee, that the above representations for items 1 and 2 are true and correct.

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Title of Authorized Representative

ATTACHMENT 4 - DEPARTMENT OF COMMERCE
Office of Procurement
CONTRACTOR MONTHLY MINORITY & VETERAN BUSINESS ENTERPRISE REPORT

(Company Name, Street Address, City & Zip Code)

Commerce Contract Number:

Commerce Project Name:

Contract Amount

\$0.00

MBE Participation Amount:

\$0.00

MBE Percentage

DV Participation Amount:

\$0.00

DV Percentage

Contract Vendor Invoice #

0

Date (mm dd, yyyy)

MINORITY BUSINESS ENTERPRISE (MBE)

** Include consultants, sub-contractors, travel agents, etc. who provided services on this project.

** Minority Business Enterprise	Description	** MBE Status	State Certified MBE (Yes or No)	MBE Contract \$ Amount	\$ Amount this Invoice	Total Paid	Balance Due	Project Type (Commodities or Contractual Services)
				\$ -	\$ -	\$ -	\$ -	
				\$ -	\$ -	\$ -	\$ -	
				\$ -	\$ -	\$ -	\$ -	
				\$ -	\$ -	\$ -	\$ -	
TOTALS				\$ -	\$ -	\$ -	\$ -	
							\$ -	

** Certified MBE: H - African American I - Hispanic J - Asian/Hawaiian K - Native American M - American Women

** Non-Certified MBE: N - African American O - Hispanic P - Asian/Hawaiian Q - Native American R - American Women

FLORIDA VETERAN BUSINESS ENTERPRISE (VBE)

* Include consultants, sub-contractors, travel agents, etc. who provided services on this project.

* Florida Veteran Business Enterprise	Description	* V Status	State Certified V Business (Yes or No)	V Contract \$ Amount	\$ Amount this Invoice	Total Paid	Balance Due	Project Type (Commodities or Contractual Services)
				\$ -	\$ -	\$ -	\$ -	
				\$ -	\$ -	\$ -	\$ -	
				\$ -	\$ -	\$ -	\$ -	
				\$ -	\$ -	\$ -	\$ -	
TOTALS				\$ -	\$ -	\$ -	\$ -	
							\$ -	

* Certified V: W - Veteran Business * Non-Certified V: Y - Veteran Business

INCLUDE THIS FORM WITH YOUR INVOICE

Commerce Form Version 06/23/2023



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-458

City Council

4/24/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-18 - APPROPRIATION OF DEFENSE INFRASTRUCTURE GRANT FUNDS

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2025-18:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #1: Attainable Housing at All Income Levels.

The Defense Infrastructure Grant is a grant program designed to address deficiencies in community infrastructure that supports a military installation's readiness. This project supports this by working to address the rising housing costs in the region, which have created significant financial burdens for military families, particularly junior enlisted personnel. These funds will be used by the City to purchase strategically located land near NAS Pensacola for use in future affordable housing projects. By securing this land, the project ensures the long-term availability of affordable housing options, enhancing the quality of life for service members and supporting military readiness.

PRIOR ACTION:

N/A

FUNDING:

This award is from the Florida Department of Commerce. Funding for this appropriation is

located on line 2368 of the 2024-2025 General Appropriations Act.

FINANCIAL IMPACT:

The City will receive \$608,200 from the Defense Infrastructure Grant fund to be used toward property acquisition.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Tim Kinsella, City Administrator
Erica Grancagnolo, Economic Development Director
Anna Kate Baygents, Economic Development Administrator

ATTACHMENTS:

1. Supplemental Budget Resolution No. 2025-18
2. Supplemental Budget Explanation No. 2025-18

PRESENTATION: No

**RESOLUTION
NO. 2025-20**

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA

SECTION 1. The following appropriations from funds on hand in the fund accounts stated below, not heretofore appropriated, and transfer from funds on hand in the various accounts and funds stated below, heretofore appropriated, be, and the same are hereby made, directed and approved to-wit:

A. SPECIAL GRANTS FUND

As Reads	State Grants	12,342,298
Amended		
To Read:	State Grants	12,950,498
As Reads	Capital Outlay	56,505,474
Amended		
To Read:	Capital Outlay	57,113,674

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk

THE CITY OF PENSACOLA

APRIL 2025 - SUPPLEMENTAL BUDGET RESOLUTION -APPROPRIATION OF DEFENSE INFRASTRUCTURE GRANT FUNDS - RES NO. 2025-18

FUND	AMOUNT	DESCRIPTION
SPECIAL GRANTS FUND		
Estimated Revenues		
State Grants	608,200	increase appropriation for State Grants - Defense Infrastructure Grant
Total Revenues	<u>608,200</u>	
Appropriations		
Capital Outlay	<u>608,200</u>	Appropriate funding for Capital Outlay
Total Appropriations	<u>608,200</u>	



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-256

City Council

4/24/2025

ORDINANCE

SPONSOR: DC Reeves, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 1-25 - VOLUNTARY ANNEXATION OF AIRPORT-OWNED PROPERTY - 2400 BLOCK LANGLEY AVENUE

RECOMMENDATION:

That City Council approve Proposed Ordinance No. 1-25 on first reading.

AN ORDINANCE INCORPORATING AND ANNEXING A CERTAIN AREA CONTIGUOUS AND ADJACENT TO THE CITY OF PENSACOLA INTO THE CITY OF PENSACOLA, AND DECLARING SAID AREA TO BE A PART OF THE CITY OF PENSACOLA; REPEALING CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action does not directly advance a goal of the City of Pensacola Strategic Plan but is a necessary function of municipal government.

Campus Heights was identified in the approved year 2000 Airport Master Plan as a development area for a future business commerce park associated with the Airport. Generally, the Campus Heights area is bounded on the east and south by Airport property, on the north by Langley Avenue, and on the west by Tippin Avenue. As parcels are acquired by the Airport that are contiguous to but not within the City limits, it becomes necessary to annex those parcels via the statutory process for the annexation of property.

On May 9, 2024, City Council approved the purchase of real property located at 2400 Block Langley Avenue (Parcel No. 141S292100080001 and 141S292100090001) from Diane Bonner Canady in the amount of \$188,850.00 plus closing costs. The two parcels are located outside the City limits. Therefore, the Airport would like to Annex the property as it is contiguous to the City limits. The proposed inclusion of these other parcels would provide for a clearer City/County boundary in the affected area.

Florida Statute 171.044 provides that:

Voluntary annexation

1. The owner or owners of real property in an unincorporated area of a county which is contiguous to a municipality and reasonably compact may petition the governing body of said municipality that said property be annexed to the municipality. Upon determination by the governing body of the municipality that the petition bears the signatures of all owners of property in the area proposed to be annexed, the governing body may, at any regular meeting, adopt a nonemergency ordinance to annex said property and redefine the boundary lines of the municipality to include said property. Said ordinance shall be passed after notice of the annexation has been published at least once each week for 2 consecutive weeks in some newspaper in such city or town or, if no newspaper is published in said city or town, then in a newspaper published in the same county; and if no newspaper is published in said county, then at least three printed copies of said notice shall be posted for 4 consecutive weeks at some conspicuous place in said city or town. The notice shall give the ordinance number and a brief, general description of the area proposed to be annexed. The description shall include a map clearly showing the area and a statement that the complete legal description by metes and bounds and the ordinance can be obtained from the Office of the City Clerk.

PRIOR ACTION:

November 10, 2011 - City Council approved the annexation of nine (9) parcels in the Campus Heights area which were owned by the Pensacola International Airport.

December 1, 2011 - City Council adopted Ordinance No. 31-11 – Annexation of Airport Owned Property on second reading.

May 11, 2017 - City Council conducted the first of two public hearings regarding the Annexation of Property - Campus Heights.

June 8, 2017 - City Council approved the annexation of seventy-seven (61) parcels in the Campus Heights area which were owned by the Pensacola International Airport.

July 13, 2017 - City Council adopted Ordinance No. 15-17 - Annexation of Airport Owned Property on second reading.

October 11, 2018 - City Council conducted the first of two required public hearings regarding the Annexation of Property - Campus Heights Phase II

November 8, 2018 - City Council approved the annexation of fifty-two (52) parcels in the Campus Heights area which were owned by the Pensacola International Airport.

December 13, 2018 - City Council adopted Ordinance No. 25-18 - Annexation of Airport Owned Property on second reading.

May 9, 2024 - City Council approved the purchase of real property located at 2400 Block Langley Avenue.

FUNDING:

None.

FINANCIAL IMPACT:

The City would receive stormwater, ad valorem, and public service tax revenues where applicable from the subject parcels as well as from any future improvements.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Tim Kinsella, City Administrator
Amy Miller, Deputy City Administrator
Sherry Morris, AICP, Development Services Director
Matthew F. Coughlin, Airport Director

ATTACHMENTS:

1. Proposed Ordinance No. 1-25

PRESENTATION: No

PROPOSED
ORDINANCE NO. 1-25

ORDINANCE NO. _____

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE INCORPORATING AND ANNEXING A CERTAIN AREA CONTIGUOUS AND ADJACENT TO THE CITY OF PENSACOLA INTO THE CITY OF PENSACOLA AND DECLARING SAID AREA TO BE A PART OF THE CITY OF PENSACOLA; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has found that the City of Pensacola is the sole owner of the property described below, that such property is reasonably compact and contiguous to the City of Pensacola, and the City of Pensacola has petitioned the City Council to voluntarily annex such property into the City of Pensacola pursuant to Section 171.044 Florida Statutes; and

WHEREAS, the City Council desires to allow such annexation in accordance with Section 171.044 Florida Statutes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. That the City of Pensacola hereby finds and declares that all requirements of law provided by Section 171.044 Florida Statutes have been met, and that the following-described property is hereby annexed to the City of Pensacola and declared to be lying within, incorporated into, and a part and portion of the City of Pensacola, to-wit:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND DESCRIBED IN A DOCUMENT BETWEEN DIANE BONNER CANADY AND THE CITY OF PENSACOLA RECORDED 2024 IN OFFICIAL RECORD BOOK 9178 AT PAGE 1742 WITH THE CLERK OF THE COURT, ESCAMBIA COUNTY FLORIDA, SITUATE IN SECTION 14, TOWNSHIP 1 SOUTH, RANGE 29 WEST AND FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 14 AS SHOWN ON THE PLAT OF COLLEGE HEIGHTS SUBDIVISION RECORDED 1957 IN PLAT BOOK 5 AT PAGE 9 WITH THE SAID CLERK OF THE COURT;

THENCE, COINCIDENT WITH THE NORTH LINE OF SAID SECTION 14, NORTH 89 DEGREES 55 MINUTES EAST A DISTANCE OF 732.85 FEET TO A POINT;

THENCE, DEPARTING SAID NORTH LINE OF SECTION 14, SOUTH 00 DEGREES 05 MINUTES EAST A DISTANCE OF 33 FEET TO THE NORTHEAST CORNER OF LOT 9, BLOCK 1 OF SAID COLLEGE HEIGHTS SUBDIVISION BEING THE POINT OF BEGINNING HEREIN DESCRIBED;

THENCE, COINCIDENT WITH THE EAST LINE OF SAID LOT 9, SOUTH 00 DEGREES 10 MINUTES WEST A DISTANCE OF 126.6 FEET TO THE SOUTHEAST CORNER OF SAID LOT 9;

THENCE, COINCIDENT WITH THE SOUTH LINE OF LOTS 8 AND 9, BLOCK 1 OF SAID COLLEGE HEIGHTS SUBDIVISION, SOUTH 89 DEGREES 55 MINUTES WEST A DISTANCE OF 150 FEET TO THE SOUTHWEST CORNER OF SAID LOT 8;

THENCE, COINCIDENT WITH THE WEST LINE OF SAID LOT 8, NORTH 00 DEGREES 10 MINUTES EAST A DISTANCE OF 126.6 FEET TO THE NORTHWEST CORNER OF SAID LOT 8;

THENCE, COINCIDENT WITH THE NORTH LINE OF SAID LOTS 8 AND 9, BLOCK 1 OF SAID COLLEGE HEIGHTS, NORTH 89 DEGREES 55 MINUTES EAST A DISTANCE OF 150 FEET TO THE POINT OF BEGINNING.

A set of maps depicting the area hereby annexed is attached hereto as Exhibit A.

SECTION 2. If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. This ordinance shall take effect upon expiration of the fifth business day after adoption, unless otherwise provided, pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

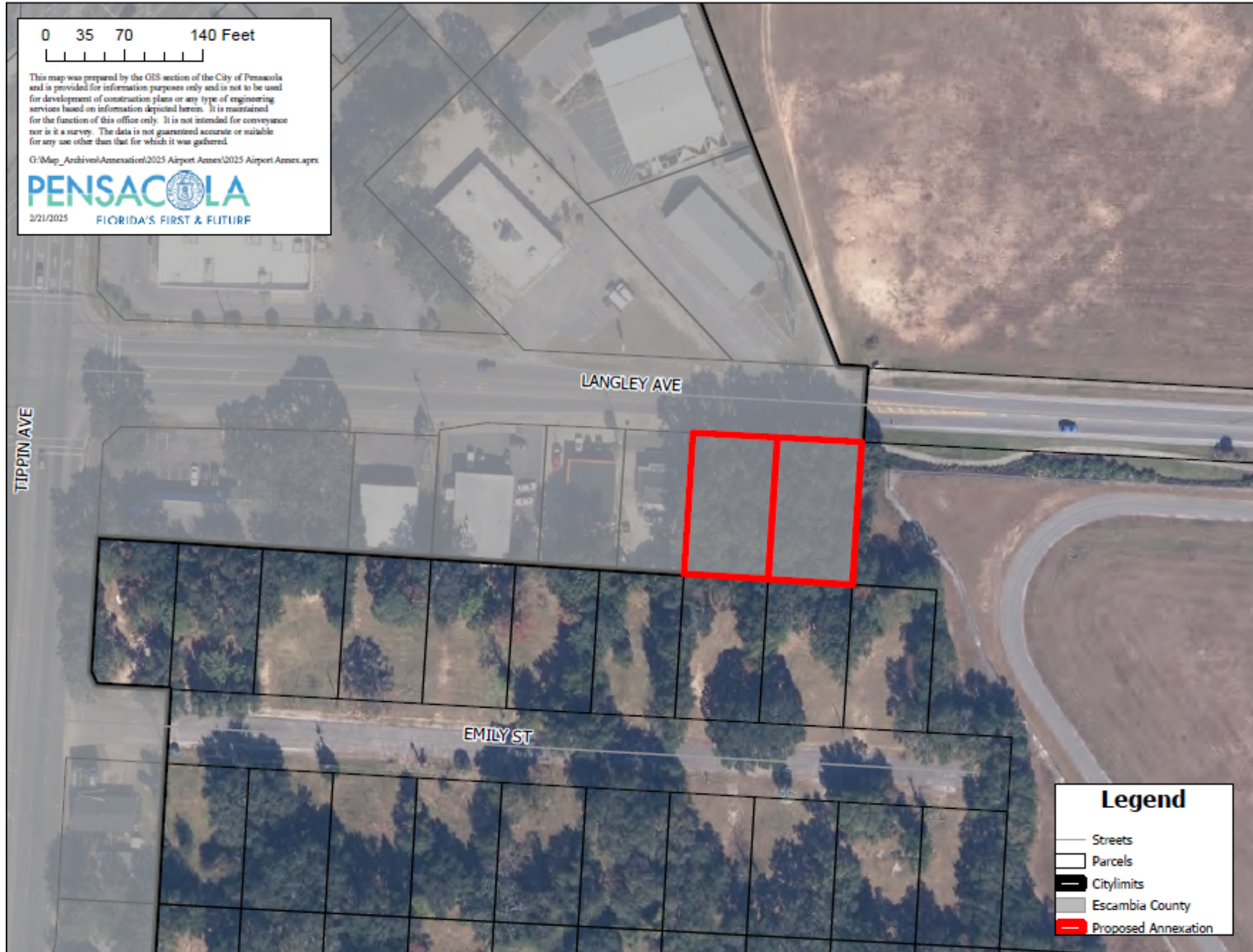
Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk

Exhibit A: Map of Annexation Area





City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-495

City Council

4/24/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

BAPTIST LEGACY CAMPUS DONATION AGREEMENT

RECOMMENDATION:

That City Council approve the Donation Agreement between the City of Pensacola and Baptist Entities (Baptist Health Care Inc. and Baptist Health Ventures, Inc.) for certain real property located generally between N. Pace Boulevard, W. Hernandez Avenue, N. D Street, and W. Lee Street in Pensacola. Further, that City Council authorize the Mayor to take the actions necessary to execute and administer this Donation Agreement, consistent with the terms of the agreement and the Mayor's Executive Powers as granted in the City Charter.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The City has been engaged with Baptist since 2023 related to the approximately 51-acre property located at 1000 W. Moreno Street, otherwise known as "The Legacy Baptist Campus." Several notable events have transpired during this time.

- The City was awarded a legislative appropriation in the amount of \$7million from Florida Department of Commerce, Grant Agreement No. WL095.
- The Paces Foundation was awarded a grant from the Florida Housing and Finance Corporation which allowed them to purchase approximately 13 acres of the property in order to construct a senior housing development and affordable housing family apartments, leaving approximately 38 acres for donation to the City.
- The City has conducted thorough environmental due diligence on the property to include a Phase I and Phase II report, a Hazardous Materials survey and a tree survey.
- The City conducted an RFQ and subsequent RFP to select a demolition contractor for the site.
- The City completed a survey of the property.

Baptist and the City have agreed to the terms within the donation agreement, pending Baptist Board approval.

PRIOR ACTION:

February 5, 2024 - CRA approved a pledge of \$1,000,000 to the Baptist demolition project
October 21, 2024 - Acceptance of grant agreement no. WL095 with Florida Department of Commerce in the amount of \$7 million

FUNDING:

There is no fiscal impact related to the donation agreement. The funding stack for the demolition of the property is described within the agreement.

FINANCIAL IMPACT:

N/A

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

STAFF CONTACT:

Tim Kinsella, City Administrator
Amy Miller, Assistant City Administrator
Adam Cobb, City Attorney
Erica Grancagnolo, Economic Development Department

ATTACHMENTS:

1. Land Donation Agreement

PRESENTATION: No

**DONATION AGREEMENT BY AND BETWEEN
THE BAPTIST ENTITIES**

and

THE CITY OF PENSACOLA

This DONATION AGREEMENT (the “Agreement”) is dated and effective as of this ___ day of April, 2025 (“Effective Date”) and is by and among BAPTIST HEALTH CARE, INC., a Florida not for profit corporation, BAPTIST HEALTH VENTURES, INC., a Florida corporation, and their successors and assigns (individually, collectively and interchangeably, the “Baptist Entities”) and the CITY OF PENSACOLA, a Florida municipal corporation (“City”).

W I T N E S S E T H:

WHEREAS, one or more of the Baptist Entities are the owners of certain real property located generally between N. Pace Boulevard, W. Hernandez Avenue, N. D Street, and W. Lee Street in Pensacola, Florida, all as more particularly described herein; and

WHEREAS, the Baptist Entities desire to donate the Property (defined below) to the City, subject to the terms and conditions of this Agreement, and the City desires to accept such donation subject to the terms and conditions of this Agreement.

NOW THEREFORE, for and in consideration of the forgoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Baptist Entities and the City do hereby covenant and agree as follows:

ARTICLE ONE – DONATION AND CONVEYANCE OF THE PROPERTY

1.1 **DONATION OF THE PROPERTY.** Subject to the terms of this Agreement, the Baptist Entities agree to donate and convey to the City, and the City agrees to accept the following:

That certain property located in Escambia County, Florida, as more particularly described on **Exhibit A** attached hereto and incorporated herein by reference (“Land”), together with all of the tenements, hereditaments, improvements, appurtenances, rights, easements and rights of way incident thereto and all of the Baptist Entities’ personal property located thereon as of the Closing Date (defined below) (the “Property.”).

ARTICLE TWO – SURVEY AND TITLE REVIEW

2.1 **RECEIPT OF SURVEY AND TITLE COMMITMENT.** The City may, at its expense, order a survey of the Land in accordance with ALTA Minimum Standard Detail Requirements containing those Table A items the City deems necessary or desirable (the “Survey”). Following the Effective Date, the City may further obtain, (a) a title insurance commitment, showing the condition of the Baptist Entities’ title to the Land (the “Title Commitment”), and (b) complete and legible copies of all recorded documents listed

as Schedule B-1 matters or as special Schedule B-2 exceptions (the “Exceptions”, and together with the Title Commitment, the “Title Documents”).

2.2 OBJECTIONS. The City shall have until the date that is 15 days prior to the Closing Date to examine the Survey and the Title Documents and to provide written objections to the Baptist Entities of matters set forth in the Survey and/or the Title Documents (the “Objections”). In the event the City gives timely written notice of its Objections and subject to the terms of this Agreement, the Baptist Entities shall have the right, but not the obligation, to remove, satisfy or otherwise cure the Objections. Within 14 days after receipt of the City’s notice of the Objections, the Baptist Entities shall give written notice to the City informing the City of the Baptist Entities’ election with respect to the Objections. If the Baptist Entities do not respond within such 14-day period they shall be deemed to have elected not to cure the Objections. For avoidance of doubt, the parties acknowledge and agree that except as expressly set forth in Section 2.5 below the Baptist Entities shall not be obligated to cure any Objections.

2.3 BAPTIST ENTITIES’ ELECTION. If the Baptist Entities elect not to cure one or more Objections, the City’s sole remedy under this Agreement shall be to either: (a) elect to terminate this Agreement by written notice to the Baptist Entities, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement); or (b) waive the Objections and continue the transactions contemplated by this Agreement.

2.4 TERMINATION. To terminate this Agreement pursuant to Section 2.3 of this Agreement, the City must give written notice to the Baptist Entities of the City’s election to terminate not later than the Closing Date. If the City fails to give timely notice of its election to terminate, the City’s right to terminate this Agreement under Section 2.3 of this Agreement shall expire and the Objections shall be deemed to be “Permitted Encumbrances.” Moreover, any matter disclosed on the Survey or the Title Commitment to which the City does not timely object or which are approved by the City, and any Objection that is waived or deemed to have been waived by the City, shall be deemed to be a Permitted Encumbrance. For the avoidance of doubt, no Baptist Encumbrance (defined below) shall be or be deemed to be a Permitted Encumbrance.

2.5 BAPTIST ENCUMBRANCES. Notwithstanding any provision in this Agreement, all Baptist Encumbrances must be satisfied, remedied and/or cured by the Baptist Entities on or before the Closing Date. As used herein, the term “Baptist Encumbrance” shall mean (a) any mortgage, deed of trust, judgment lien, or other monetary lien encumbering the Property which was placed by or against one of the Baptist Entities, (b) any real property taxes and assessments which are delinquent as of the Closing Date, and (c) any mechanic’s, materialmen’s or other similar liens, but excluding any such liens caused by the City or the City’s agents.

ARTICLE THREE – CLOSING CONDITIONS

3.1 CLOSING CONDITIONS. The City’s obligations under this Agreement are contingent upon satisfaction or waiver of the following conditions (each a “Closing Condition” and collectively, the “Closing Conditions”):

- (a) TITLE POLICY. The title company shall be committed at the Closing Date to issue to the City, effective as of the date and time of the recording of the Deed (as defined below), an

owner's title insurance policy, in an amount not less than \$16,500,000, insuring that fee simple title to the Land will be vested in the City, with the standard exceptions deleted and otherwise subject only to the Permitted Encumbrances (the "Title Policy")

- (b) ACCESS TO FUNDS. The City shall have been awarded and, as of the Closing Date, have access to immediately available public funding to contribute towards the costs needed to demolish and remove all buildings and related improvements on the Property (collectively, and as further defined in subsection (c) below, all such costs are the "Demolition Costs") from the following sources and in at least the following amounts (collectively, the "Funds"):
 - i. \$7,000,000.00 from the State of Florida; and
 - ii. \$2,000,000.00 from Escambia County.
- (c) DEMOLITION COSTS. The estimated Demolition Costs related to the Land shall not exceed \$16,500,000, as reasonably projected by the City based upon quotes received by the City from licensed contractors for demolition of the main hospital building, medical towers and north parking area. For the purposes hereof, the term "Demolition Costs" shall include all costs, fees, expenses, and charges associated with (i) demolition of structures, pavements, and other associated facilities, (ii) management and offsite disposal of the waste generated during the demolition, and (iii) project management, safety, security, stormwater and other emissions management programs required to carry out the work contemplated by subsections (i) and (ii) above.
- (d) ENVIRONMENTAL CONDITIONS: The City is satisfied, in its sole discretion, with the reports produced following its Inspections (defined below) related to the environmental condition of the Property.

3.2 FAILURE OF A CLOSING CONDITION. If any of the Closing Conditions have not been satisfied on or before the Closing Date, then the City may elect to terminate this Agreement by written notice to the Baptist Entities on the Closing Date, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement). The City shall have the right to unilaterally waive any Closing Condition by proceeding to Closing. In no event shall the City have the right to extend the Closing Date beyond June 1, 2025 (subject to extension as set forth in Section 5.1 below) as a result of a failure of any of the Closing Conditions.

ARTICLE FOUR –REPRESENTATIONS AND WARRANTIES AND COVENANTS

4.1 THE BAPTIST ENTITIES' REPRESENTATIONS, WARRANTIES AND COVENANTS. The Baptist Entities represent, warrant and covenant as of the Effective Date and Closing Date as follows:

- (a) Authority. All of the Baptist Entities have the right, power and authority to enter into this Agreement, and to donate the Property to the City and to perform the obligations set forth in this Agreement. Furthermore, the persons signing this Agreement and all instruments in connection with the transaction contemplated herein possess the authority to execute such documents on behalf of the Baptist Entities. No consent, waiver, approval or authorization is required from any person or entity in connection with the execution, delivery and

performance of this Agreement by the Baptist Entities (other than those that have been obtained or will be obtained on or prior to the Closing).

- (b) Legal Actions. There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding (including, without limitation, condemnation or eminent domain proceedings, code enforcement actions, or tax protests or appeals) pending or, to the Baptist Entities' knowledge after due and reasonable investigation, threatened against the Baptist Parties or the Property that could materially interfere with or disrupt the Baptist Entities' full and timely performance under this Agreement or detrimentally affect the status of title to the Property.
- (c) Contract. To the best of their knowledge after due and reasonable investigation (but without having conducted a title search), the Baptist Entities have not entered into any contract, agreement or option, other than this Agreement, granting any right to acquire all or any portion of the Property that remains in effect.
- (d) Diligence Materials. The Diligence Materials (defined below) are all the documents and information pertaining to the Property that are in the Baptist Entities' possession or control and are true and complete copies thereof.
- (e) Baptist Real Estate. **Exhibit B** to this Agreement sets forth any and all real estate owned by any of the Baptist Entities located within one mile of the intersection of N. E Street and W. Moreno Street (the "Baptist Real Estate").

4.2 THE CITY'S REPRESENTATIONS, WARRANTIES AND COVENANTS. The City has the right, power and authority to enter into this Agreement, and to accept the Property from the Baptist Entities and to perform the obligations set forth in this Agreement. Furthermore, the persons signing this Agreement and all instruments in connection with the transaction contemplated herein possess the authority to execute such documents on behalf of the City. No consent, waiver, approval or authorization is required from any person or entity in connection with the execution, delivery and performance of this Agreement by the City (other than those that have been obtained or will be obtained on or prior to the Closing).

4.3 DISCLAIMERS. SUBJECT TO THE REPRESENTATIONS AND WARRANTIES OF THE BAPTIST ENTITIES SET FORTH IN THIS AGREEMENT AND ANY MATTERS SET FORTH IN THE DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE CLOSING, IT IS UNDERSTOOD AND AGREED THAT THE BAPTIST ENTITIES ARE NOT MAKING AND HAVE NOT AT ANY TIME MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, AS TO HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. SUBJECT TO THE TERMS OF THIS AGREEMENT AND ANY MATTER SET FORTH IN THE DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE CLOSING, THE CITY ACKNOWLEDGES AND AGREES THAT UPON CLOSING, THE BAPTIST ENTITIES SHALL CONVEY TO THE CITY AND THE CITY SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS."

4.4 SURVIVAL. The representations, warranties and covenants contained in this Article 4 shall survive the Closing for a period of one (1) year.

ARTICLE FIVE– CLOSING OF THE PROPERTY

5.1 CLOSING. The closing of the donation and conveyance of the Property (the “Closing”) shall occur on or before June 1, 2025 (the “Closing Date”). The City shall have two options to extend the Closing Date by 60 days each, and each such extension option shall be exercised by written notice delivered to the Baptist Entities prior to the then-scheduled Closing Date.

5.2 PRORATIONS. On or before the Closing Date, the Baptist Entities shall pay any and all past due taxes, assessments, levies and other charges with respect to the Property and any and all interest or penalties thereon. All taxes, assessments, levies and other charges assessed with respect to the Property in the year prior to the year that the Closing occurs but due and payable in the year that the Closing occurs shall be the responsibility of the Baptist Entities and paid at or prior to the Closing. All taxes, assessments, levies or charges assessed with respect to the Property in the year that the Closing occurs but due and payable in the year following the year that the Closing occurs shall be prorated through the date of Closing and the Baptist Entities shall deliver payment for the Baptist Entities’ pro-rata portion of such taxes, assessments, levies and charges to the City at the Closing.

5.3 CLOSING COSTS.

- (a) The City shall pay the title company’s premium for the Title Policy including all fees and costs for the related Title Commitment, search, and examination; the costs of the Survey; the City’s attorneys’ fees and expenses; all escrow fees, recording fees and closing costs charged by the title company; the cost for any endorsements to the Title Policy; and all of the City’s due diligence costs and expenses.
- (b) The Baptist Entities shall pay any brokerage fees or commissions that they owe relating to the Property and the Baptist Entities’ attorneys’ fees and expenses.

5.4 PLACE OF CLOSING. The Closing shall take place as an escrow closing at the offices of Carver Darden, 151 W. Main Street, Suite 200, Pensacola, FL 32502 (the “Closing Agent”), or at such other place as may be mutually agreed upon by the Baptist Entities and the City. No representative of the Baptist Entities shall be required to be present at Closing, instead documents will be sent to the Closing Agent via hand delivery or overnight carrier and funds shall be wired to the Closing Agent (or directly to the City at the election of the Baptist Entities).

5.5 THE BAPTIST ENTITIES’ DELIVERIES AT CLOSING. At Closing, the Baptist Entities shall deliver the following to the City:

- (a) Deed. A special warranty deed (or deeds), in recordable form, duly executed by the appropriate Baptist Entities conveying to the City fee simple title to the Land, subject only to non-delinquent real estate taxes and assessments due and payable after the Closing Date and the Permitted Encumbrances (“Deed”). Such Deed shall include and convey the historic legal description(s) for the Land, as identified in the Title Commitment(s). The Baptist Entities shall, in addition to the Deed, execute and deliver to the City at Closing a quit-claim deed (or deeds), in recordable form, duly executed by the appropriate Baptist Entities conveying to the City all of the Baptist Entities’ right, title and interest in and to any legal description(s) for the Land created by the Survey provided that any such

surveyed legal description is subject to the reasonable approval of the Baptist Entities (but with such approval right limited to the factual accuracy of such surveyed legal description).

- (b) Quit Claim Bill of Sale. A Quit Claim Bill of Sale executed by the appropriate Baptist Entities conveying any personal property owned by such entity and located on the Property as of the date of Closing to the City, subject to the terms and conditions of this Agreement (“Bill of Sale”).
- (c) FIRPTA Certificate. A certificate duly executed by each party executing the Deed setting forth its address and tax identification number and certifying whether or not it is a foreign person for purposes of the Foreign Investment in Real Property Tax Act (a/k/a “FIRPTA”).
- (d) Seller’s Affidavit. A seller’s affidavit and/or gap indemnity duly executed by the appropriate Baptist Entities sufficient to permit the title company to delete the so called “standard exceptions” to the Title Policy and to date the Title Policy no earlier than the date and time of recordation of the Deed. Such affidavit and indemnity shall be on the title company’s standard form, qualified by the Baptist Entities to be factually accurate and subject to such commercially reasonable modifications as the title company and the Baptist Entities may mutually agree upon.
- (e) Authorization. Satisfactory evidence of the authority of the signers of the conveyance documents to consummate the transactions on behalf of the Baptist Entities as reasonably required by the Closing Agent or the City.
- (f) Closing Statement. A closing statement (“Closing Statement”) duly executed by the appropriate Baptist Entities, setting forth in reasonable detail the financial transaction contemplated by this Agreement, including all prorations, the allocation of costs specified herein, and the source, application and disbursement of all funds.
- (g) Demolition Cost Contribution. The Baptist Contribution (as defined below) to be used by the City for Demolition Costs and related expenses. As used herein the Baptist Contribution shall mean the sum of (a) \$2,815,822.10 plus (b) the lesser of (i) \$3,000,000 and (ii) total estimated Demolition Costs less \$10,000,000 (being the Funds plus a \$1,000,000 contribution from the City). Notwithstanding anything contained herein to the contrary, in no event shall the Baptist Contribution exceed \$5,815,822.10.
- (h) Possession. The Baptist Entities shall deliver exclusive possession of the Property to the City at Closing.
- (i) Right of First Offer. A duly executed right of first offer (“ROFO”) in recordable form reasonably acceptable to the City and the Baptist Entities granting the City a right to make the first offer to purchase all or any portion of the Baptist Real Estate. Such ROFO shall require the Baptist Entities to provide the City with no less than 30 days’ written notice and ability to submit an offer to purchase prior to the Baptist Entities listing, offering, marketing or otherwise holding out all or any portion of the Baptist Real Estate for sale or lease.

- (j) Additional Documents. Such other documents as may be required by the terms of this Agreement, or as may be reasonably necessary in order to consummate the transactions contemplated by this Agreement. All of the documents and instruments referenced in this Section 5.5 shall be in a form reasonably acceptable to the Baptist Entities and the City.

5.6 THE CITY'S DELIVERIES AT CLOSING. At Closing, the City shall deliver the following to the Baptist Entities:

- (a) Closing Statement. The City's duly executed counterpart to the Closing Statement.
- (b) Contribution Statement. A written statement that the City has spent or will spend \$1,000,000 in City funds, in addition to the Funds, on Demolition Costs and Inspections-related expenses. This written statement may be provided by the City's finance director, economic development director, or such other person as may be designated by the Mayor.
- (c) Additional Documents. Such other documents as may be required by the terms of this Agreement, or as may be reasonably necessary in order to consummate the transactions contemplated by this Agreement

ARTICLE SIX – INTENTIONALLY OMITTED

ARTICLE SEVEN – DEFAULT OR TERMINATION

7.1 BAPTIST ENTITIES' DEFAULT. In the event that the Baptist Entities fail to perform any of their obligations under this Agreement for any reason other than the City's default or the permitted termination of this Agreement by the Baptist Entities or the City as expressly provided in this Agreement, the City shall be entitled, following written notice to the Baptist Entities and, except for a breach of the Baptist Entities' obligation to close or a breach of the Baptist Entities' obligations under Section 5.5 of this Agreement for which there shall be no opportunity to cure, 30 days during which period the Baptist Entities may cure the default, to (a) elect to terminate this Agreement by written notice to the Baptist Entities, in which event the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement); (b) waive the applicable default and continue the transactions contemplated by this Agreement; or (c) enforce specific performance of the Baptist Entities' obligations.

7.2 CITY DEFAULT. In the event that the City fails to close the transactions contemplated by this Agreement for any reason other than the Baptist Entities' default or the permitted termination of this Agreement by the Baptist Entities or the City as expressly provided in this Agreement, the Baptist Entities' shall be entitled, following written notice to the City, as its sole remedy, to terminate this Agreement.

7.3 INFORMAL RESOLUTION. It is understood and agreed that both parties desire to see the successful redevelopment of the Property and are willing to work together towards that mutual goal. To that end, and notwithstanding anything herein to the contrary, no party shall have the right to pursue the remedies contained in Section 7.1 or Section 7.2 nor shall any termination of this Agreement become effective unless and until the Mayor of the City and the President and Chief Executive Officer of Baptist Health Care shall have first met in person and in good faith to discuss and attempt to resolve the noticed default or termination of this Agreement ("Resolution Discussion"). Both parties agree to conduct any Resolution Discussion as soon as

reasonably practicable following the other party's request for a Resolution Discussion. Additionally, delivery of any notice of default or termination shall be sufficient for the purposes of complying with any deadlines for delivery of the same contained in this Agreement, notwithstanding if the Resolution Discussion has not yet occurred.

ARTICLE EIGHT- PROPERTY ISSUES

8.1 ACCESS. From and after the Effective Date and until the earlier of the termination of this Agreement or the Closing, the City and its agents shall have the right to enter upon the Land for the purpose of inspecting the Property and conducting such physical, economic, environmental, engineering, structural, and other inspections, investigations, surveys and studies of the Property as the City shall deem necessary or desirable (collectively, the "Inspections"). The Baptist Entities agree to cooperate in good faith with the City and its agents at all times relating to the Inspections, including, without limitation, making the Baptist Entities' agents reasonably available to the City and the City's agents upon reasonable notice to answer any questions which the City may have concerning the Property and also executing and delivering such authorizations and other commercially reasonable documents as may be necessary or desirable to facilitate such Inspections. Subject to such sovereign immunity limitations as permitted by applicable Florida law, the City shall and does hereby agree to indemnify and hold the Baptist Entities harmless from and against any and all damages to property or injury to persons asserted against the Baptist Entities, including, but not limited to, court costs and attorneys' fees, which may be incurred by the Baptist Entities as a direct result of the City's Inspections prior to Closing. The City's indemnity and hold harmless obligation shall survive termination of this Agreement. The City shall cause all agents, consultants, independent contractors and vendors retained by the City in connection with any on-site Inspections of the Property to have during the performance of their work, at no expense to the Baptist Entities, commercial liability insurance, including public liability and property damage insurance, in the amount of at least \$1,000,000, per occurrence, and \$3,000,000 in the aggregate. All such insurance shall name the appropriate Baptist Entities as an additional insured.

8.2 DILIGENCE MATERIALS. On or before the Effective Date, the Baptist Entities have delivered to the City any and all documents and information pertaining to the Property that are in the Baptist Entities' possession or control including, without limitation, copies of all existing title insurance policies with respect to the Property and legible copies of documents identified as exceptions thereto, appraisals, environmental or engineering reports, property condition assessments, insurance certificates indicating the current level of "All Risk" insurance and commercial general liability insurance that the Baptist Entities maintain with respect to the Property, fire marshal reports, flood reports, structural reports, geotechnical studies, maintenance reports, and all as-built or other surveys, plans and specifications for the Property (collectively, the "Diligence Materials").

8.3 RISK OF LOSS. The Property shall be held at the risk of the Baptist Entities until consummation of the Closing. In the event of any fire or other casualty, the Baptist Entities shall promptly provide written notification thereof to the City, and the City shall have the option, exercisable within sixty (60) days after receipt of written notice from the Baptist Entities, to (a) close on the Property in accordance with the terms hereof notwithstanding such casualty, recognizing any and all insurance claims will be retained by the Baptists Entities, or (b) terminate this Agreement and the parties shall have no further obligation to the other except with respect to obligations expressly set forth herein to survive the termination hereof. Upon the event of any casualty, the Baptist Entities shall provide the City with access to the Property.

8.4 LEASES. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, the Baptist Entities shall not, without the City's prior written consent, enter into or amend any leases, licenses or other agreements for the use or occupancy of any part of the Property, except to the extent as may be required for the Baptist Entities to deliver exclusive possession of the Property to the City at Closing in accordance with Section 5.5(h) of this Agreement.

8.5 NEW PROPERTY AGREEMENTS. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, the Baptist Entities shall not, without the City's prior written consent, enter into any new service contract, maintenance contract or other contract or agreement with respect to the Property which will survive Closing or amend, modify or alter any agreements affecting the Property which will survive Closing.

8.6 CONTINUED OPERATIONS. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, the Baptist Entities shall continue to maintain the Property and maintain all casualty and liability insurance policies with respect to the Property in the substantially same manner as prior to the Effective Date. Without limiting the foregoing, the Baptist Entities shall promptly furnish to the City copies of any and all written notices pertaining the Property that the Baptist Entities receive from (a) any governmental or quasi-governmental entities with jurisdiction over the Property, or (b) the counterparty to any agreements affecting the Property (such as notices of default, notices of termination, notices of renewal or non-renewal, notices of pricing changes, notices regarding assignment and notices of damage to property or injury to persons).

8.7 NEW ENCUMBRANCES. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, the Baptist Entities shall not, without the City's prior written consent, enter into, or cause to be entered into, any agreement of any kind whatsoever to encumber the Property (including, without limitation, any easement, covenant, license, or restriction).

8.8 MARKETING ACTIVITIES. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, the Baptist Entities and their agents will not initiate, solicit, encourage, directly or indirectly, or accept an offer or proposal regarding the possible purchase and sale of all or any portion of the Property by any person or entity other than the City.

8.9 CITY COVENANT. The City shall not use or occupy or permit the use or occupation of the portion of the Property shown on Exhibit C attached hereto at any time prior to demolition of the existing hospital located on such portion of the Property, except to the extent such occupation or use is in preparation for, connection with or furtherance of such demolition. This Section 8.9 shall expressly be included in the Deed. The Baptist Entities' sole and exclusive remedy for any violation of such covenant shall be the right to obtain specific performance, and in no event will monetary damages from the City be a remedy available to the Baptist Entities.

ARTICLE NINE - MISCELLANEOUS

9.1 ENTIRE AGREEMENT; COUNTERPARTS; AMENDMENTS. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated herein, and it supersedes all prior understandings or agreements between the parties. This Agreement may be executed

in one or more duplicate original counterparts, each of which shall be effective as and shall constitute an original document binding upon the party or parties signing the same.

9.2 BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, devisees, personal representatives, successors and assigns.

9.3 WAIVER; MODIFICATION. Failure by the Baptist Entities or the City to insist upon or enforce any of its rights shall not constitute a waiver thereof. Either party hereto may waive the benefit of any provision or condition for its benefit contained in this Agreement. No oral modification hereof shall be binding upon the parties, and any modification shall be in writing and signed by the parties.

9.4 TIME OF ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

9.5 CONSTRUCTION. Each party hereto hereby acknowledges that all parties hereto participated equally in the drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

9.6 GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. This Agreement shall be governed by, and construed under, the laws of the State of Florida. Any claim, action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought only in Escambia County, State of Florida, and each of the parties hereto hereby consents to the jurisdiction of such court and irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any such claim, action, suit, or proceeding in any such court or that any such claim, action, suit, or proceeding that is brought in any such court has been brought in an inconvenient forum. The parties hereto waive trial by jury in any action, proceeding or counterclaim arising out of this Agreement.

9.7 DATE HEREOF. For purposes of this Agreement, "the date hereof" or similar references shall mean the Effective Date.

9.8 EFFECT OF HEADINGS. The title of this Agreement and the subject headings of the sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

9.9 RADON. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. This disclosure is required by Florida law to be contained in all contracts for sale or lease of buildings.

9.10 BROKERS. Each of the City and the Baptist Entities represents and warrants that it has not dealt with any broker, agent, finder or similar party in connection with the transaction contemplated by this Agreement, and each of Buyer and Seller hereby indemnifies, defends and holds harmless the other from any liability, cost or expense (including, without limitation, reasonable attorneys' fees and costs of enforcement of the foregoing indemnity, whether arising in any underlying action or in the enforcement of this right of indemnification) arising out of the falsity of the foregoing representation by such party. The provisions of this Section 9.10 shall survive the Closing or any earlier termination of this Agreement.

9.11 FLORIDA PUBLIC RECORDS ACT. The parties acknowledge, understand and agree that this Agreement, all closing documents, and all written and electronic communications between the parties are subject to public disclosure pursuant to Chapter 119, Florida Statutes (“Florida Public Records Act”).

9.12 SOVEREIGN IMMUNITY. Nothing herein is intended to serve as a waiver of the City’s sovereign immunity to which sovereign immunity applies, nor as a waiver of any applicable limitation on the City’s liability for monetary damages as provided by the laws and/or Constitution of the State of Florida.

9.13 NOTICES. All notices which are required or permitted under this Agreement must be in writing and shall be deemed to have been given, delivered or made, as the case may be (notwithstanding lack of actual receipt by the addressee), (a) when delivered by personal delivery, (b) one business day after having been deposited with an expedited, overnight courier service, or (c) when delivered by electronic mail, in each case addressed to the party to whom notice is intended to be given at the address set forth below:

<u>If to Baptist Entities:</u>	Baptist Health Care, Inc. 125 Baptist Way, Suite 6A Pensacola, Florida 32503 Attn: General Counsel Email: liz.callahan@bhcpns.org
With a copy to:	Bradley Arant Boult Cummings LLP 1221 Broadway, Suite 2400 Nashville, Tennessee 37203 Attn: Matthew B. Mattingly Email: mmattingly@bradley.com
<u>If to City:</u>	City of Pensacola 222 West Main Street Pensacola, Florida 32502 Attn: Mayor Email: dcreeves@cityofpensacola.com
With a copy to:	City of Pensacola 222 West Main Street Pensacola, Florida 32502 Attn: City Attorney Email: acobb@cityofpensacola.com

[A separate signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

BAPTIST HEALTH CARE, INC., a Florida not for profit corporation

By: _____
Mark Faulkner, President and CEO

BAPTIST HEALTH VENTURES, INC., a Florida corporation

By: _____
Name: _____
Title: _____

Donation Agreement – signature page

[A separate signature page follows.]

CITY OF PENSACOLA,
a Florida municipal corporation

ATTEST:

Ericka L. Burnett,
City Clerk

By: _____
D.C. Reeves, Mayor

AFFIX CITY SEAL

Approved as to content:

Erica Grancagnolo,
Economic Development Director

Approved as to form and legal sufficiency:

Adam Cobb, City Attorney

Donation Agreement – signature page

PARCEL LIST – LAND

EXHIBIT A

Account	Parcel ID	OName1	Situs	DORCd
62623000	182S306000170014	BAPTIST HEALTH CARE CORPORA	1022 W LAKEVIEW AVE	PARKING LOTS
62622000	182S306000140014	BAPTIST HEALTH CARE CORPORA	1010 W LAKEVIEW AVE	PARKING LOTS
62621000	182S306000130014	BAPTIST HEALTH CARE CORPORA	1004 W LAKEVIEW AVE	PARKING LOTS
62620000	182S306000110014	BAPTIST HEALTH CARE CORPORA	1905 N F ST	PARKING LOTS
144204000	000S009050017076	BAPTIST HEALTH CARE CORPORA	1201 W MORENO ST	PROFESSIONAL BLDG.
144203000	000S009050014076	BAPTIST HOSPITAL INC	1200 BLK MORENO ST	VACANT RESIDENTIAL
62586000	182S306000110008	BAPTIST HEALTH CARE INC	1800 N E ST BLK	PARKING LOTS
144137000	000S009050016057	BAPTIST HEALTH CARE INC	901 W MORENO ST	VACANT COMMERCIAL
144206000	000S009050021076	BAPTIST HEALTH CARE INC	1200 BLK W BLOUNT ST	VACANT RESIDENTIAL
144207000	000S009050022076	BAPTIST HEALTH CARE INC	1218 W BLOUNT ST	VACANT RESIDENTIAL
144142000	000S009050028057	BAPTIST HEALTH CARE INC	1500 BLK N E ST	PARKING LOTS
144138000	000S009050017057	BAPTIST HEALTH CARE INC	1515 N E ST	VACANT RESIDENTIAL
144065000	000S009050019039	BAPTIST HEALTH CARE INC	840 W MORENO ST	VACANT COMMERCIAL
144134100	000S0090500220056	BAPTIST HEALTH CARE INC	1000 BLK W BLOUNT ST	PARKING LOTS
63091000	302S301001070029	BAPTIST HEALTH CARE INC	1400 BLK W MORENO ST	VACANT RESIDENTIAL
63099000	302S301001004030	BAPTIST HEALTH CARE INC	1515 W MORENO ST	VACANT COMMERCIAL
144134600	000S009050240056	BAPTIST HEALTH CARE INC	1000 W BLOUNT ST	OFFICE, 1 STORY
144134700	000S009050241056	BAPTIST HEALTH CARE INC	1010 W BLOUNT ST	OFFICE, 1 STORY
144205000	000S009050019076	BAPTIST HEALTH CARE INC	1200 BLK W BLOUNT ST	VACANT RESIDENTIAL
144131200	000S009050130056	BAPTIST HEALTH CARE INC	1011 W MORENO ST	PROFESSIONAL BLDG.
144133500	000S009050130056	BAPTIST HEALTH CARE INC	1000 BLK W BLOUNT ST	PARKING LOTS
144135000	000S009050009057	BAPTIST HEALTH CARE INC	905 W MORENO ST	VACANT COMMERCIAL
144139000	000S009050019057	BAPTIST HEALTH CARE INC	912 W BLOUNT ST	VACANT RESIDENTIAL
63142500	302S301001007050	BAPTIST HEALTH CARE INC	1500 BLK W MORENO ST	VACANT COMMERCIAL
63117100	302S301001004041	BAPTIST HEALTH CARE INC	1308 W MORENO ST	VACANT COMMERCIAL-IMPRVD
62574000	182S306000008006	PENSACOLA POB INC	1113 W LAKEVIEW AVE	PARKING LOTS
62575000	182S306000011006	PENSACOLA POB INC	AVERY ST OFF OF	VACANT RESIDENTIAL
144136000	000S009050012057	BAPTIST HEALTH CARE INC	903 W MORENO ST	VACANT COMMERCIAL
144130600	000S009050039056	BAPTIST HEALTH CARE INC	1015 W MORENO ST	STORE/OFFICE/SFR
62581000	182S306000017007	PENSACOLA POB INC	1102 W AVERY ST	VACANT RESIDENTIAL
62573000	182S306000005006	PENSACOLA POB INC	1115 W LAKEVIEW AVE	VACANT RESIDENTIAL
63111000	302S301001002040	BAPTIST HEALTH CARE INC	1430 W MORENO ST	VACANT COMMERCIAL
144140000	000S009050022057	BAPTIST HEALTH CARE INC	910 W BLOUNT ST	VACANT COMMERCIAL
62570500	182S306000004004	PENSACOLA POB INC	1017 W AVERY ST	PROFESSIONAL BLDG.
63069000	302S301001070021	BAPTIST HEALTH CARE INC	2000 W BLOUNT ST BLK	VACANT COMMERCIAL-IMPRVD
62569500	182S306000006003	PENSACOLA POB INC	1717 N E ST	PROFESSIONAL BLDG.
63102000	302S301001010033	BAPTIST HEALTH CARE INC		RIGHT-OF-WAY
62577000	182S306000001007	PENSACOLA POB INC	1000 W AVERY ST BLK	PARKING LOTS
144143000	000S009050001058	BAPTIST HEALTH CARE INC	1000 W MORENO ST	PRIVATE HOSPITAL
144132500	000S009050160056	BAPTIST HOSPITAL INC	1001 W MORENO ST	OFFICE, 1 STORY
144204000	000S009050017076	BAPTIST HEALTH CARE CORPORA	1201 W MORENO ST	PROFESSIONAL BLDG.
144143000	000S009050001058	BAPTIST HEALTH CARE INC	1000 W MORENO ST	PRIVATE HOSPITAL
144218500	000S009050025079	BAPTIST HEALTH CARE INC	1300 W MORENO STREET	OFFICE, MULTI-STORY

1205 West Moreno Street - 000S009050011076

1700 N. J Street - 000S009050024079

EXHIBIT B

BAPTIST REAL ESTATE

- 1) 1900 BLK NF ST – 182S306000020013
- 2) 908 West Lakeview Street - 182S306000014013
- 3) 1901 N E ST - 182S306000011013
- 4) 1720 N E ST -000S009050009040
- 5) 800 BLK W AVERY ST – 000S009050010040
- 6) 838 W MALLORY ST -000S009050024040
- 7) 800 BLK W MALLORY ST -000S009050022040
- 8) 800 BLK W MALLORY ST -000S009050019040
- 9) 1201 W MORENO ST - 000S009050017076
- 10) 1000 W MORENO ST - 000S009050001058
- 11) 800 BLK W LAKEVIEW AVE – 182S306000001009
- 12) 800 BLK W LAKEVIEW AVE – 182S306000002009
- 13) 821 W LAKEVIEW AVE - 182S306000004009

EXHIBIT C

That certain portion of Parcel ID 000S009050001058 located between W Avery Street, N H Street, W Moreno Street, and N E Street commonly described as 1000 W Moreno Street, Pensacola, Florida 32501, as more particularly depicted below:

