

1 Introduced by the Council President at the request of the DIA:

4 **ORDINANCE 2021-358**

5 AN ORDINANCE APPROVING AND AUTHORIZING THE
6 CHIEF EXECUTIVE OFFICER OF THE DOWNTOWN
7 INVESTMENT AUTHORITY ("DIA") TO EXECUTE AND
8 DELIVER ON BEHALF OF THE CITY OF JACKSONVILLE
9 THAT CERTAIN DEVELOPMENT AGREEMENT BETWEEN THE
10 DOWNTOWN INVESTMENT AUTHORITY ("DIA") AND THE
11 JACKSONVILLE HISTORIC NAVAL SHIP ASSOCIATION,
12 INC. ("JHNSA"), FOR THE RELOCATION OF THE
13 RETIRED NAVAL VESSEL USS ORLECK (DD-886) ("USS
14 ORLECK") TO DOWNTOWN JACKSONVILLE AS A
15 FLOATING MUSEUM ("SHIP MUSEUM"), AT THE FORMER
16 JACKSONVILLE SHIPYARD SITE ON JACKSONVILLE'S
17 NORTHBANK, SAID AGREEMENT BEING FOR A THREE
18 (3) YEAR PERIOD AND CONTINGENT UPON CERTAIN
19 CONDITIONS PRECEDENT BEING MET BY JHNSA PRIOR
20 TO THE CITY'S ENTERING INTO A TEN (10) YEAR
21 LICENSE AGREEMENT WITH JHNSA, TOGETHER WITH
22 TWO (2) FIVE (5) YEAR LICENSE RENEWAL OPTIONS,
23 SUBJECT TO THE MUTUAL AGREEMENT OF THE
24 PARTIES, FOR JHNSA TO CONSTRUCT, OPERATE AND
25 MAINTAIN THE SHIP MUSEUM; AUTHORIZING THE DIA
26 TO AMEND THE DEVELOPMENT AGREEMENT AND LICENSE
27 AGREEMENT IN ACCORDANCE WITH THE DEVELOPMENT
28 AND LICENSE AGREEMENT TERMS WITHOUT FURTHER
29 COUNCIL APPROVAL; PROVIDING FOR OVERSIGHT BY
30 THE DIA; PROVIDING AN EFFECTIVE DATE.

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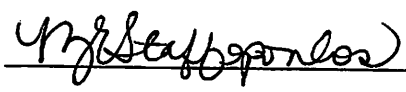
1 "Agreement") between the DIA and JHNSA for the relocation of the
2 USS Orleck to Downtown Jacksonville as a floating museum ("Ship
3 Museum") at the former Jacksonville Shipyard site in Jacksonville's
4 Northbank Downtown Community Redevelopment Area, substantially in
5 the form as placed **On File** with the Legislative Services Division,
6 and all such other documents, necessary or appropriate to
7 effectuate the purpose of this Ordinance, including the ten (10)
8 year license agreement for JHNSA to construct, operate and maintain
9 the Ship Museum, together with two (2) five (5) year license
10 renewal options subject to the mutual agreement of the parties,
11 upon JHNSA's satisfaction of certain conditions precedent contained
12 in the Agreement.

13 **Section 3. Additional Authorization.** The Chief Executive
14 Officer of the DIA is hereby authorized to execute additional
15 amendments to the Development Agreement and License Agreement where
16 authorized in accordance with the Development Agreement and License
17 Agreement terms, so long as the amendments to the agreements are
18 technical amendments that do not increase the financial obligations
19 of the City or the Downtown Investment Authority.

20 **Section 4. Oversight Department.** The DIA shall oversee
21 the Project in accordance with this Ordinance and the Agreement.

22 **Section 5. Effective Date.** This Ordinance shall become
23 effective upon signature by the Mayor or upon becoming effective
24 without the Mayor's signature.

25
26 Form Approved:

27
28 
29 _____
Office of General Counsel

30 Legislation prepared by John Sawyer

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

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

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

BE IT RESOLVED, by the Downtown Investment Authority:

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

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

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

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

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[Signature Page to Follow]

EXHIBIT A

2020 JHNSA TERM SHEET

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

Breakdown:

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

Transaction Details: The transaction is for a License (permission) for the USS Orleck to be moored at a pier located in the currently City-owned Shipyards property and for the future development of a ticket booth, restrooms and gift/concession shop associated with the Museum Ship, subject to the availability of space and the approval of the Downtown Development Review Board.

The License is terminable at will and for any reason by the DIA with ninety (90) day notice.

The USS Orleck will not be making any payments for the grant of the license to "dock" at the shipyards.

The DIA is the entity that will manage the City's contract with JHNSA.

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

The License Agreement

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