

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into this 25<sup>th</sup> day of February, 2019, by and between the **CITY OF PANAMA CITY, FLORIDA**, a Florida Municipal Corporation (the "City") and **THE ST. JOE COMPANY**, a Florida corporation and its affiliates, ("Joe").

WHEREAS, the City is the owner of that certain property located in its downtown area commonly referred to as the marina property, more particularly described in Exhibit A (the "Downtown Marina Property"),

WHEREAS, the City is desirous of facilitating the redevelopment and economic growth of the City;

WHEREAS, Joe, based in Northwest Florida, is vested in Panama City and the surrounding areas;

WHEREAS, Joe and its affiliates have extensive experience and knowledge in the development and operation of commercial properties, including resorts, hotels and marinas;

WHEREAS, Joe has expressed its interest in constructing a hotel on the Downtown Marina Property, and has undertaken certain due diligence efforts, despite the disruption to its efforts by Hurricane Michael;

WHEREAS, the City has indicated in its public meetings, with public comment, an interest in entering into further, more specific and exclusive conversations with Joe;

WHEREAS, subsequent to Joe's expressing an interest in developing a hotel at the Downtown Marina Property, the City has not received any other proposals regarding the development of a hotel on the Downtown Marina Property;

WHEREAS, as a result of Hurricane Michael, the City is seeking additional options and opportunities for the redevelopment and economic recovery of the City and the Downtown Marina Property, including a strategic vision and planning process, all of which Joe supports;

WHEREAS, subsequent to Hurricane Michael, the City has committed to rebuilding the public marina at the Downtown Marina Property; and

WHEREAS, JOE has agreed to explore the potential of providing additional facilities and management services to the City at the Downtown Marina Property.

THEREFORE, the City and Joe hereby enter into the MOU regarding the Downtown Marina Property.

- I. The City and Joe agree to the following terms of the potential arrangement regarding the Downtown Marina Property:

- A. City would enter into a long-term ground lease with JOE for a certain portion of the Downtown Marina Property upon which a hotel and related amenities would be constructed (the "Hotel Site"). The specific location of the Hotel Site will be determined as part of the parties' further due diligence.
  - B. JOE would construct the hotel, which will be a quality, branded, full service hotel at its sole expense.
  - C. JOE would obtain the rights to a hotel brand. The hotel would not exceed five (5) stories, and would include a restaurant.
  - D. The lease rate charged by the City would be based upon the performance of the hotel, pursuant to a formula agreed to by JOE and the City.
  - E. The City would agree to annually allocate and cause funds to be expended for the marketing of the overall downtown Panama City area. JOE will collaborate with the City in the City's development of a marketing plan for the overall downtown Panama City area.
  - F. As partial consideration for JOE'S initial investment and risk in the recovery of the City, the City would grant a first right of consideration to JOE before offering other development and/or management opportunities at the Downtown Marina Property.
- II. To advance the potential arrangement between JOE and the City, the parties agree to pursue in a timely manner the following course of action over the next twelve (12) months, subsequent to the signing of this MOU:
- A. JOE will voluntarily engage in a public outreach communication plan with the citizens of Panama City, including participating in the City's strategic visioning and planning process as directed by the City (has commenced and will be ongoing)
  - B. JOE will prepare preliminary conceptual design of the hotel (3 months)
  - C. JOE will present the conceptual design to the City (5 months)
  - D. JOE will finalize the conceptual design (7 months)
  - E. JOE and the City will negotiate and enter into the final lease (3-6 months)
  - F. JOE will apply for the necessary permits (upon execution of the lease and completion of specifications and plans 10 -12 months)
  - G. JOE will commence construction of the hotel (upon issuance of permits and commencement of City's commencement of rebuilding the adjacent marina or other mutually agreeable time-frame 12 months)

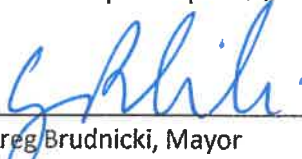
III. Joe and the City agree proceed in good faith and agree that this MOU may be modified at any time by mutual written agreement. This MOU can be terminated by either party at any time, upon the delivery of written notice to the other party.

In witness whereof, the parties hereto have executed this MOU as of the date first above written.

**CITY OF PANAMA CITY, FLORIDA, a  
Florida Municipal Corporation**


ATTEST:

  
D. T. Hachmeister, City Clerk-Treasurer

By:  Date \_\_\_\_\_  
Greg Brudnicki, Mayor

By:  Date \_\_\_\_\_  
Mark McQueen, City Manager

APPROVED AS TO FORM

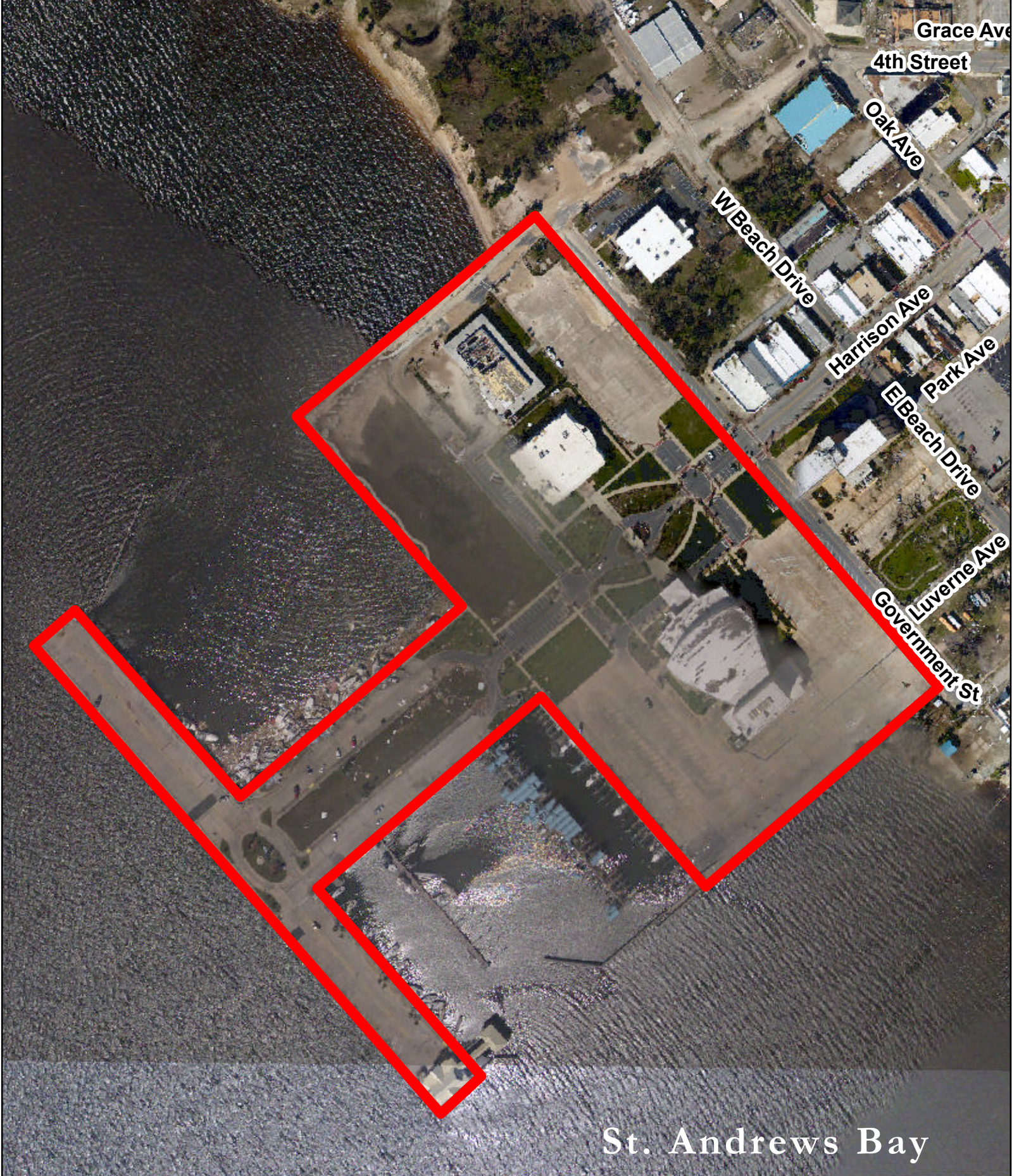
  
Nevin J. Zimmerman, City Attorney

**THE ST. JOE COMPANY,  
a Florida corporation**

By:  Date 2/25/19  
Print Name: Jorge Gonzalez  
Its: President & Chief Executive Officer








# Panama City Marina Area

**Legend**

 Panama City Marina Property

