

PORT OF PENSACOLA / MARTIN MARIETTA PROPOSED LEASE AGREEMENT KEY DEAL POINTS

- Primary Lease Term: 3 years with up to 2 mutual option 3-year renewals; written notice of non-renewal must be given 365 days prior to the then-applicable expiration date.
- Use: receiving, storage and shipping of bulk materials including, but not limited to, limestone aggregates, granite, gravel, rip rap rock, and other similar products
- Lease Premises: approximately 4.96 acres of unimproved open laydown area located in the southeastern quadrant of the Port
- Rent:
 - Years 1 – 3: \$104,160 per year (73.6% increase from current rate)
 - Rates to be adjusted at each renewal based on then-appraised property values up to 10%
- Wharfage and Cargo fees:
 - New wharfage rate \$0.71 per short ton (57.7% increase from current rate)
 - Stevedore Fees \$0.15 per short ton
 - Cargo Security per the Port Tariff (currently 10.11% of dockage and \$0.048 per short ton)
- Other charges
 - Common Area Maintenance fee - \$7, 812 annually (7.5% of base rent)
 - Preferential Use Apron Area (PPUA) equipment right to use fee - \$1,120 a month / \$13,440 annually
- Environmental: Lessee must comply with all local, State, and federal laws, rules & regulations, including environmental/Stormwater runoff, and must obtain and maintain in force any and all required local, state or federal permits.
- Performance Guarantees:
 - Company is required to post a Letter of Credit, Bond, or other collateral equal to one year's lease amount.
- Future Port Development Clause:
 - Article 22: "The City reserves the right to further develop or improve all areas within the Port as the City may determine in its sole discretion to be in the best interests of the Port, regardless of the desires or views of the Company, and without interference or hindrance from the Company."

Robyn Tice

From: Don Kraher
Sent: Friday, May 6, 2022 10:45 AM
To: Ann Hill; Delarian Wiggins; Sherri Myers; Jennifer Brahier; Casey Jones; Jared Moore; Teniade Broughton
Cc: Elaine Mager; Sonja Gaines; Melanie Kruszona; Yvette McLellan; Robyn Tice; Ericka Burnett; Clark Merritt
Subject: Revised Deal Terms for Martin Marietta Item
Attachments: Deal Terms Summary Martin Marietta 050522.docx

Council President and Members of City Council

Please find attached a revised Deal Terms Summary for the Martin Marietta item. We wanted you to have this prior to Monday. At the Agenda Conference, you will have a copy at your place. The revision is within the Stevedore Fee – should have been \$0.15 vs. \$0.18, as well as a bullet discussing the PUSS FEE that is new to this agreement.

Respectfully,

Don Kraher
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City of Pensacola