

EXPLANATION OF CONSENT AGENDA ITEM E.2.c.(15) – March 23, 2016

ITEM:

Consideration of approving the following Purchase Orders for a Port wide appraisal under their contract for Professional Real Estate Appraisal Services in an amount not to exceed a total of \$140,000.00. (Denig/Shepard).

- | | |
|--|-----------------|
| 1. Pomeroy Appraisal Associates of Florida, Inc | NTE \$60,000.00 |
| 2. Tuttle Armfield Wagner Appraisal & Research, Inc. | NTE \$40,000.00 |
| 3. Urban Realty Solutions | NTE \$40,000.00 |

EXPLANATION:

The above appraisers as part of their Professional Real Estate Appraisal Services Contract have provided estimates in the total amount of \$140,000.00 to complete three separate overall appraisal of Port Lands.

The published land lease rates, Policy 2001-1 "Policy for Leasing Lands at Port Canaveral" were derived from a Port wide appraisal conducted in 2006, and do not reflect current market rental rates.

Staff commissioned an appraisal in 2013; however the lease rates were not updated at that time.

Our goal is to obtain updated market land values and rental rate conditions. Staff feels it is in our best interest to have all three Firms provide separate appraisals to get a range of rates. Staff will then provide these findings to the Board and request Policy 2001-1 "Policy for Leasing Lands at Port Canaveral" be revised as necessary based on those findings.

Funding Review by Finance (Pat Poston): This item is an operational cost. The total amount of \$140,000 will exceed the budgeted amount in the FY16 Operating Budget by \$131,050. At midyear review, an assessment of all expenses will be done to determine if any funds will be available to help offset this increase.

Staff Recommends Approval

Prepared by: Diane Denig/Scott Shepard

dd/ss

POLICY FOR LEASING LAND
FROM THE CANAVERAL PORT AUTHORITY

I. PURPOSE

To provide a definition of the method of leasing land located within Port Canaveral at fair market rental value.

II. POLICY

It is the policy of the Canaveral Port Authority (CPA) to ensure that fair rental rates are applied to port land in a fair and consistent manner. Nothing in this policy shall be interpreted to provide any applicant or lessee an extension or modification of an existing lease. In this regard the following policy is established and will be adhered to in all situations unless expressly waived by the CPA Commission.

1. RATES

Land other than that described in Section IV, of this policy (non-deep draft) will be leased at the base rate approved December 17, 2003 and shown on Table 1, or the highest rate being charged to a tenant in the same category or area of the Port, whichever is higher.

2. TERM

The initial lease term will be negotiated at the time of application, consistent with the Port Charter.

3. USAGE

All leases shall contain an approved list of uses permitted on the leased premises. A change in usage will be considered, provided the new use or uses are compatible with the Port Canaveral Land Use Plan of 2002 and are in the best interest of the CPA.

4. EXTENSIONS

Applications for an extension to an existing lease should be made to the CPA at least six months prior to the expiration of the lease.

5. DENSITY

Hotels will be restricted to forty (40) units per acre.

III. PROCEDURE

1. NEW LEASE

A lease rate will be established using Table 1 or the highest rate being charged to a tenant in the same category or area of the Port, whichever is higher.

2. EXTENSION

Extensions will be considered by the Commission, taking into account compatibility and conformity of use with the 2002 Port Canaveral Land Use Plan, amendments thereto, and any other land use and/or development plans or strategies adopted by the Commission. A new lease rate will be established as described above in section III, paragraph 1.

A right of first refusal in favor of the Canaveral Port Authority will be included in all new or extended bulkhead and "Transitional Area" leases. "Transitional Area" is defined as the "marine industrial: commercial fishing and commercial industrial mixed use lands" located west of Dave Nisbet Drive and east of Cape Marina, and bordered by all leases north of Mullet Road and all leases bordering Scallop Drive as defined in the 2002 Port Canaveral Land Use Plan, Table 3.

4. ADJUSTMENTS TO LEASE RATE

All leases subject to this policy shall provide that the lease rate will be adjusted every third year based upon the adjustment to the United States Department of Labor Consumer Price Index for all Urban Consumers for all items or any subsequent replacement of an equivalent index by the CPA.

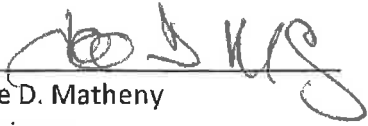
IV. USE OF PORT PROPERTY BY PASSENGER CRUISE LINES, DEEP WATER CARGO OPERATORS, HOTELS, FESTIVE MARKET PLACE, CONVENTION CENTERS, AND WORLD TRADE CENTERS

1. This policy does not apply to the use of port property by Passenger Cruise Lines or Deep Water Cargo Operators. Matters that fall under these uses will be negotiated using Marine Terminal Agreements (Passenger Cruise Lines) and tailored lease agreements (Deep Water Cargo Operators).

2. This policy does not apply to the use of port property by hotels, festive market place, convention centers, and world trade centers. Matters that fall under these uses will be negotiated using tailored lease agreements.

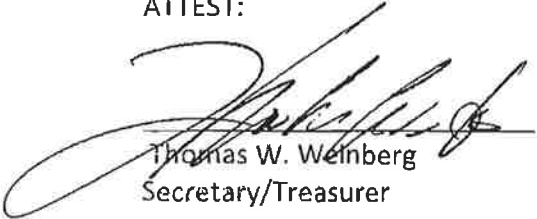
This Revision to Canaveral Port Authority Policy 2001-1 is approved by the Board of Commissioners this 21st day of September 2011.

CANAVERAL PORT AUTHORITY



Joe D. Matheny
Chairman

ATTEST:



Thomas W. Weinberg
Secretary/Treasurer

TABLE 1

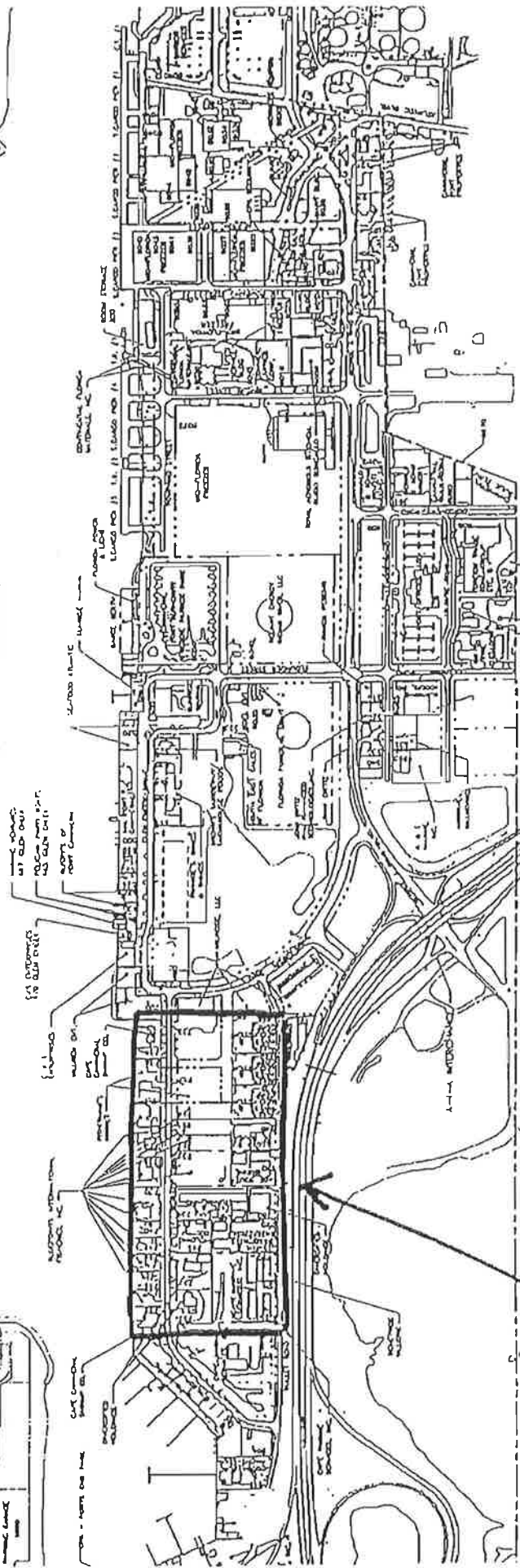
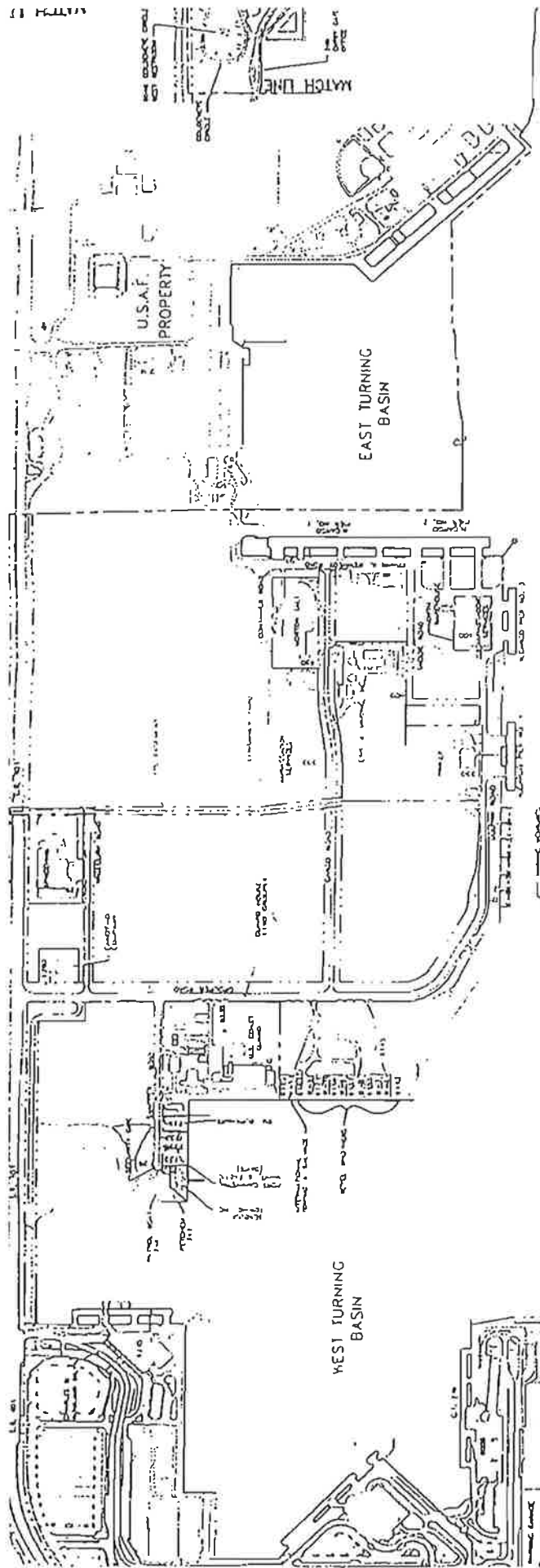
PROPERTY USE
 2007-2011
 LEASE RATE PER SQ FT/YEAR
 USING 10%

MARINA'S	\$1.20
FISHING FLEET	\$1.20
INDUSTRIAL	\$0.45
COVE	
ON BULKHEAD	\$2.60
ON GLEN CHEEK DRIVE	\$1.90
ON GLEN CHEEK DRIVE - WATERFRONT	\$1.10
OTHER	\$1.10
OFFICE/WAREHOUSE	\$0.90
UTILITIES	\$0.45
* FUTURE CARGO/CRUISE	
BULKHEAD	\$1.20
DRY	\$0.45
DEEP DRAFT CARGO	\$0.45

* Property on this site max 10 year with 1 year termination clause

Hotels, major shopping centers and convention centers will use the Cove base rate plus a negotiated monthly fee based on an acceptable method; e.g., % of room rate, % of gross revenue, or some other agreed to criteria

Hotels will be restricted to forty (40) units per acre



TRANSITIONAL
AREA