

LICENSE AND OPERATING AGREEMENT

Between

The City of St. Petersburg, Florida

and

HMS Ferries, Inc.

THIS LICENSE AND OPERATING AGREEMENT ("Agreement") is made and entered into this 5th day of August, 2016 ("Effective Date"), by and between the City of St. Petersburg, Florida, a municipal corporation ("City") whose post office address is Post Office Box 2842, St. Petersburg, Florida 33731-2842, and HMS Ferries, Inc. ("Operator") whose post office address is 385 Ericksen Avenue NE., Suite 123, Bainbridge Island, WA 98110, (collectively, "Parties").

WITNESSETH:

WHEREAS, the City, together with Pinellas County, Florida, the City of Tampa, Florida and Hillsborough County, Florida, seek to establish a passenger ferry service pilot project ("Ferry Service") between the cities of St. Petersburg and Tampa; and

WHEREAS, on November 30, 2015, the City issued a Request for Qualifications No. 7942 ("RFQ") for the Ferry Service, to which one response was received from Operator ("RFQ Response"); and

WHEREAS, City Administration reviewed the RFQ Response and found it met the RFQ requirements; and

WHEREAS, the RFQ Response included a two phase approach to the project: Phase I – Business Plan Development ("Phase I") and Phase II – Project Operations ("Phase II"); and

WHEREAS, the City and Operator executed a Consulting Services Agreement on March 3, 2016, to accomplish Phase I; and

WHEREAS, Operator submitted the Business Operations Plan dated May 2, 2016, including the first addendum thereto, dated May 12, 2016, and the second addendum thereto, dated June 8, 2016, and including any future addenda, or additions or modifications thereto, as agreed to by the Parties (collectively, "Operations Plan"), as set forth in Exhibit "A"; and

WHEREAS, this Agreement, provides for the implementation and completion of Phase II.

NOW THEREFORE, in consideration of one dollar and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and the promises and covenants contained herein, the Parties agree as follows:

1. **RECITATIONS:** The above recitations are true and correct and are incorporated herein by reference.

2. **PROVISION OF FERRY SERVICE:** Operator shall provide the Ferry Service in accordance with this Agreement, including the Operations Plan set forth in Exhibit "A". In the event of a conflict or ambiguity between the terms of this Agreement and the Operations Plan, this Agreement shall prevail.

2.1. Operator shall use its best efforts to commence the Ferry Service on November 1, 2016, but shall be required to commence the Ferry Service no later than November 29, 2016. On or before October 1, 2016, Operator shall notify the City of the date that Operator shall commence the Ferry Service (which commencement date is subject to the City fulfilling its obligations related to the Terminal Facilities pursuant to Paragraph 8.1). In the event Operator fails to commence the Ferry Service on or before November 29, 2016, the City may immediately terminate this Agreement without providing Operator with notice or an opportunity to cure. In the event of termination pursuant to this Paragraph 2.1, Operator shall refund all Payments (as defined herein) made by the City prior to the date of termination.

2.1.1. If Operator does not provide the Ferry Service for the entire month of November (i.e., Operator commences the Ferry Service after November 1, 2016, but on or before November 29, 2016), the portion of the Payments made before November 1, 2016, attributable to variable operations costs that were not expended by Operator due to the Ferry Service not operating for the entire month of November, shall be refunded by Operator to the City within thirty (30) days after expiration or earlier termination of this Agreement.

2.1.2. Following commencement of the Ferry Service, Operator shall provide such service through April 30, 2017.

2.2. After commencement of the Ferry Service, if Operator ceases to provide the Ferry Service in accordance with this Agreement, and fails to cure that default in accordance with this Agreement, the City may terminate this Agreement. In the event of termination pursuant to this Paragraph 2.2, payments or refunds shall be governed by Exhibit "D". The City's right to terminate pursuant to this Paragraph 2.2 shall not be construed to limit the City's other termination rights pursuant to this Agreement.

3. **LICENSE:** The City hereby grants to Operator a license to occupy and use, as described herein and subject to all of the terms and conditions hereinafter stated, that submerged land area lying within the North Yacht Basin ("**Submerged Area**") and the adjacent upland area ("**Upland Area**"), in addition to all ingress, egress and approaches thereof and thereto. The Submerged Area and the Upland Area are illustrated in Exhibit "B". All references in this Agreement to Submerged Area shall include the Maritime Facilities as hereinafter defined. All references in this Agreement to Upland Area shall include the Terminal Facilities, as hereinafter defined.
4. **OPERATING HOURS DEFINED:** For purposes of this Agreement, "Operating Hours" shall

mean those hours during which any operations associated with or incident to the provision of the Ferry Service are being performed including but not limited to passenger ticketing, passenger embarking/disembarking, Vessel fueling and maintenance, and trash disposal, but shall not include those hours in which the sole activity related to the Ferry Service is the static docking of the Vessel.

5. DUTIES OF OPERATOR RELATED TO SUBMERGED AREA: In addition to Operator's other duties set forth in this Agreement, Operator shall perform the following duties related to the Submerged Area at its sole cost and expense:

5.1. Operator shall design, develop and install the seaside docking and landing area, which shall include those facilities set forth in Exhibit "F" ("Maritime Facilities"). Operator shall be responsible for all maintenance and repairs to the Maritime Facilities, provided that Operator shall not be required to repair substantial damage to the Maritime Facilities. In the event of substantial damage to the Maritime Facilities, Paragraph 33.1 shall govern. Notwithstanding the foregoing, Operator shall promptly notify the City of substantial damage to the Maritime Facilities and take all necessary safety precautions.

5.2. Operator shall control and be responsible for the Submerged Area during Operating Hours, including but not limited to controlling access to the Maritime Facilities, guest service functions, maritime security screening and general operational organization. In addition, Operator shall perform operational safety activities and continue to evaluate the condition and suitability of the facilities for passenger activities. Operator shall properly secure the Maritime Facilities at the conclusion of daily Ferry Service.

5.3. Operator shall maintain the Submerged Area in a clean, orderly and safe condition in accordance with this Agreement and applicable Laws, and shall not permit any debris or litter to accumulate in or around the Submerged Area resulting from the its use of the Submerged Area.

5.4. Operator shall provide security for the Submerged Area during Operating Hours including but not limited to maintaining fencing, lighting and signage.

6. DUTIES OF THE CITY RELATED TO SUBMERGED AREA: In addition to the City's other duties set forth in this Agreement, the City shall perform the following duties related to the Submerged Area at its sole cost and expense:

6.1. The City shall upgrade the existing utilities including but not limited to water and electrical service at the Maritime Facilities ("Utility Service"). Operator is hereby granted permission to connect to and use the Utility Service, at the sole cost and expense of the City.

6.2. The City shall be responsible for obtaining any required permits and approvals from all applicable environmental and regulatory agencies necessary for Operator to install the Maritime Facilities.

6.3. The City shall provide security for the Submerged Area during all hours other than the Operating Hours, which security shall consist of customary patrols by the St. Petersburg Police Department.

7. **DUTIES OF OPERATOR RELATED TO UPLAND AREA:** In addition to Operator's other duties set forth in this Agreement, Operator shall perform the following duties related to the Upland Area at its sole cost and expense:

7.1. Operator shall control and shall assume responsibility for the use, operation and security of the Upland Area during Operating Hours, including controlling access to the Upland Area, ticketing, guest service functions, maritime security screening (as may be required), cleaning, custodial and general operational organization.

7.2. Operator shall carry out operational safety activities and continue to evaluate the condition and suitability of the Upland Area for passenger activities. Operator shall properly secure the Upland Area at the conclusion of daily Ferry Service. Operator shall notify the City of any known potential hazardous conditions.

7.3. Operator shall provide a passenger waiting area tent and a ticket booth to the City on or before October 1, 2016.

8. **DUTIES OF CITY RELATED TO UPLAND AREA:** In addition to the City's other duties set forth in this Agreement, the City shall perform the following duties related to the Upland Area at its sole cost and expense:

8.1. Provided that Operator has supplied the City with a passenger waiting area tent and a ticket booth by October 1, 2016, the City shall develop, install and provide Operator with landside facilities in the Upland Area, which shall include those facilities set forth in Exhibit "E" ("**Terminal Facilities**") by October 17, 2016. The details and specifications of the Terminal Facilities shall be mutually agreed to by the Parties. The City shall be responsible for obtaining any and all necessary permits for the Terminal Facilities. The City's budget for the Terminal Facilities is Fifty Thousand Dollars (\$50,000). The City shall not be required to expend more than Fifty Thousand Dollars (\$50,000) for the Terminal Facilities.

8.2. During those hours other than the Operating Hours, the City shall maintain the Upland Area in a clean, orderly and safe condition in accordance with this Agreement and applicable Laws, and shall not permit any debris or litter to accumulate in or around the Upland Area. The City shall be responsible for all maintenance and repairs to the Terminal Facilities, provided that the City shall not be required to repair substantial damage to the Terminal Facilities. In the event of substantial damage to the Terminal Facilities, Paragraph 33.1 shall govern. Notwithstanding the foregoing, the City shall promptly notify Operator of substantial damage to the Terminal Facilities and take all necessary safety precautions. The City shall

provide Utility Service for the Terminal Facilities. The City shall provide trash containers on the Upland Area and shall be responsible for emptying such trash containers.

8.3. During those hours other than the Operating Hours, the City shall provide security for the Upland Area including maintaining fencing, lighting, signage and customary patrols by the St. Petersburg Police Department.

9. **TERM:** The term of this Agreement shall commence on the Effective Date. The Effective Date shall constitute Operator's notice to proceed. Unless earlier terminated as provided for in this Agreement, this Agreement shall terminate on the date that Operator has completed performance of all of its duties and obligations set forth in this Agreement including remitting the final payment of the City's Revenue Share.
10. **PAYMENTS TO OPERATOR:** The City shall pay to Operator, One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00), to be paid in accordance with the payment terms described in Exhibit "C"("Payments"). In the event the City fails to make any Payments in accordance with this Agreement and does not cure such default in accordance with this Agreement, Operator may impose a three percent (3%) late fee.
11. **REVENUE AND PAYMENTS TO CITY:** In the event Operator's gross revenues, from all sources related to this Agreement, less any third party costs, fees, selling commissions and sales taxes, ("Revenues"), exceeds One Hundred Twenty-five Thousand Dollars (\$125,000) during the term of this Agreement, all Revenues in excess of said \$125,000 shall be remitted to the City ("City's Revenue Share"). Operator shall pay the City's Revenue Share to the City by the fifteenth (15th) of the month following the month in which such Revenues were collected. All payments of the City's Revenue Share due under this Agreement shall be paid in U.S. funds and in a manner acceptable to the City. Such payments shall be made without notice, demand, setoff or counterclaim. This Paragraph 11 shall survive expiration or earlier termination of this Agreement. In the event Operator fails to make the City's Revenue Share payments in accordance with this Paragraph 11 and Operator does not cure such default in accordance with this Agreement, the City may impose a three percent (3%) late fee.
12. **CITY'S RIGHT TO AUDIT:** The City shall have the right to audit the books and records of Operator relating to the City's Revenue Share, during regular business hours, and Operator, on request of the City, shall make all such books and records available for examination. If the City should have an audit made and the City's Revenue Share shall be found to be understated by more than five percent (5%) or contain any deliberate inaccuracies, then, in addition to immediately paying the City the full amount of the understated City's Revenue Share, Operator shall pay to the City the cost of the audit not exceeding Three Thousand Dollars (\$3,000).
13. **CONDITION OF SUBMERGED AREA AND UPLAND AREA:**
 - 13.1. Operator has inspected and is aware of the condition of the Submerged Area and accepts the condition of the Submerged Area in an "as is" condition.

13.2. Operator shall inspect the Upland Area and Terminal Facilities prior to its occupancy and use and advise the City in writing of its acceptance of them in their "as is" condition.

13.3. The City has made no representations, statements, or warranties, either expressed or implied, as to the condition of the Submerged Area or the Upland Area, or as to their fitness for a particular use.

14. RETURN OF THE SUBMERGED AREA AND UPLANDS AREA:

14.1. Provided no new agreement exists for subsequent operations by Operator after the term of this Agreement, then upon expiration or earlier termination of this Agreement, Operator shall remove its goods and effects (including but not limited to the Maritime Facilities and the passenger waiting area tent and ticket booth provided by Operator for the Terminal Facilities), repair any damage caused by Operator, its employees, agents or contractors, ordinary wear and tear excepted, and peaceably yield up the Submerged Area and Upland Area clean and in good order, repair and condition, ordinary wear and tear excepted.

14.2. All improvements, except the Maritime Facilities and the passenger waiting area tent and ticket booth provided by Operator for the Terminal Facilities, made to the Submerged Area or the Upland Area by either party shall immediately become the property of the City and shall remain at the Submerged Area or Upland Area during the term of this Agreement and upon expiration or termination hereof. In the event any of the Maritime Facilities, trade fixtures, personal property, or improvements (including the passenger waiting area tent and ticket booth) are not removed within thirty (30) days after expiration or earlier termination of this Agreement, said items shall at the option of the City become property of the City, and may be disposed of in the City's sole discretion at the sole cost and expense of the Operator. Except for the passenger waiting area tent and ticket booth, Operator shall not be responsible for removing the Terminal Facilities provided for herein.

15. PERMITTED USE: Operator shall occupy and utilize the Submerged Area and the Upland Area for the primary purpose of providing the Ferry Service, in accordance with the Operations Plan ("Permitted Use"). Any change in the Permitted Use and the right to change, from time to time, its operating format of the business located in the Submerged Area and the Upland Area and trade name will require the prior written approval of the City, which consent shall not be unreasonably withheld or delayed. Operator shall operate its business in an efficient and reputable manner.

16. PROHIBITED USE/ OTHER RESTRICTIONS:

16.1. The Submerged Area and the Upland Area shall not be used for any use other than the Permitted Use. No occupation or other use shall be allowed which, in the sole discretion of the City, is deemed hazardous to persons or to the Submerged Area or the Upland Area or

which will increase the City's liability or cost of insurance.

16.2. The City may impose restrictions necessary for carrying out any and all activities related to City authorized, sponsored or co-sponsored events including but not limited to the Grand Prix Race Events, as set forth in this Agreement.

17. REQUIRED APPROVAL:

17.1. This Agreement is subject to the City obtaining any required permits and approvals from all applicable environmental and regulatory agencies, including but not limited to the Army Corps of Engineers. If the City does not obtain any required permits and approvals by September 15, 2016, the City may immediately terminate this Agreement. In the event of termination pursuant to this Paragraph 17.1, payments or refunds shall be governed by Exhibit "D".

17.2. This Agreement is subject to the execution of an interlocal agreement between the City and the Government Partners to provide funding for the Ferry Service. The City reserves the right to immediately terminate this Agreement if the interlocal agreement between the City and the Government Partners is not fully executed by August 11, 2016. For purposes of this Agreement, the "Government Partners" shall mean Pinellas County, Florida, the City of Tampa, Florida and Hillsborough County, Florida. In the event of termination pursuant to this Paragraph 17.2, the City shall pay Operator for mobilization costs and expenses incurred by Operator prior to the date of termination, provided that such payment shall not exceed Fifty Thousand Dollars (\$50,000).

17.3. The Parties shall memorialize the granting of required approvals in a memorandum, signed by the Parties, in a form substantially the same as Exhibit "G".

18. COMPLIANCE WITH LAWS: The Parties shall comply with all applicable federal, state, and local laws, ordinances, rules and regulations, the federal and state constitutions, and orders and decrees of any lawful authorities having jurisdiction over the matter at issue (collectively, "Laws"), including but not limited to statutes governing construction of public buildings and repairs upon public buildings and public works (including but not limited to the bonding requirements of Section 255.05, Florida Statutes).

19. PUBLIC RECORDS:

19.1. Operator shall (i) keep and maintain public records (as defined in Chapter 119, Florida Statutes) required by the City to perform the services pursuant to this Agreement; (ii) upon request from the City Clerk's Office, provide the City (at no cost to 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 under Florida laws regarding public records or other applicable Laws; (iii) ensure that public records in Operator's possession that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by applicable Laws for the term of this Agreement and after

the expiration or earlier termination of this Agreement; and (iv) after the expiration or earlier termination of this Agreement, at the City's request, either transfer, at no cost, to the City all public records in Operator's possession within ten (10) days following the City's request and/or keep and maintain any public records required by the City to perform the services pursuant to this Agreement. If Operator transfers all public records to the City upon the expiration or earlier termination of this Agreement, Operator shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Operator keeps and maintains public records upon the expiration or earlier termination of this Agreement, Operator shall meet all applicable requirements for retaining public records in accordance with this Agreement and all applicable Laws. At the City's request, all public records stored electronically by Operator shall be provided to the City in a format approved by the City.

19.2. IF OPERATOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, AS TO OPERATOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CITY CLERK'S OFFICE (THE CUSTODIAN OF PUBLIC RECORDS) AT (727) 893-7448, CITY.CLERK@STPETE.ORG, OR 175 FIFTH ST. N., ST. PETERSBURG FL 33701.

19.3. Nothing contained herein shall be construed to affect or limit Operator's obligations including but not limited to Operator's obligations to comply with all other applicable Laws and to maintain books and records pursuant to this Agreement.

20. VESSEL: Operator shall berth a single, United States Coast Guard inspected and approved, 149-passenger catamaran ferry ("Vessel"), as depicted and further described in the Operations Plan, at the Maritime Facilities. Operator shall be solely responsible for the Vessel including operation, maintenance and security at all times.

21. SERVICE, ROUTE AND SCHEDULE: Operator shall provide the service, route and schedule for the Ferry Service as set forth in the Operations Plan.

22. RECORDS AND REPORTING:

22.1. Operator shall prepare in accordance with generally accepted accounting practice and shall keep, at the address set forth in this Agreement, accurate books of account, along with other records as required by applicable Laws ("Records"). All Records, including but not limited to tax returns, with respect to the Operator's business conducted pursuant to this Agreement, shall be kept by Operator and shall be open to examination or audit by the City during the term of this Agreement and for a period of five (5) years following expiration or earlier termination of this Agreement.

22.2. In addition to the Records, Operator shall provide monthly operations reports, as reasonably required by the City, ("**Reports**") to the designated City staff, set forth in this Agreement, and such Reports shall include, but not be limited to, customer use of the Ferry Service, revenues generated, and copies of submitted Florida Department of Revenue Form DR-15.

23. **TAXES AND FEES:** The City shall not charge any fees based on the Permitted Use, including but not limited to dockage fees, landing fees or passenger fees. Operator shall be solely responsible for payment of applicable income taxes and sales taxes, provided that calculation of the City's Revenue Share shall include an adjustment for sales taxes pursuant to this Agreement.

24. **CONSTRUCTION AND ALTERATIONS:** Operator shall not make or permit to be made any alterations, additions, improvements or changes to the Submerged Area or Upland Area nor permit the painting or placing of any exterior signs, placards or other advertising media, banners, pennants, utility connections and meters, awnings, aerials, antennas or the like, without on each occasion obtaining prior written consent of the City, which consent shall be at the sole discretion of the City.

25. **LICENSES, PERMITS, CERTIFICATIONS AND AUTHORIZATIONS:** Unless otherwise provided in this Agreement, Operator, at its expense, shall obtain and maintain during the term of this Agreement any licenses, permits, certifications and authorizations required by the U.S. Coast Guard or any governmental agency or authority with respect to operation of the Vessel and performance of Operator's duties pursuant to this Agreement. No unlawful activities shall be permitted in the use of the Submerged Area or Upland Area. The City makes no representations as to whether the licenses, permits, certifications or authorizations required by any governmental agencies or authorities will be issued to Operator.

26. **INSURANCE:**

26.1. Operator shall obtain and maintain during the term of this Agreement, at Operator's cost, the following insurance, written by a firm that is authorized to conduct business in the State of Florida, recognized by the State of Florida Insurance Department. The policy or policies shall include products, completed operations and contractual liability coverage or endorsements and shall not be self-insured by Operator and shall have the following minimum limits:

26.1.1. **Workers' Compensation:** Workers' Compensation insurance as required by Florida Statute and Employers Liability in an amount of \$1,000,000 per employee, \$1,000,000 for disease and \$1,000,000 total for all diseases. United States Longshore and Harborworker's Act Insurance including Jones Act and Maintenance and Cure coverage.

26.1.2. **Automobile Liability:** Automobile Liability insurance for bodily injury and

property damage liability including coverage for all owned, non-owned and hired autos with a minimum combined single limit of \$1,000,000.

26.1.3. Professional Liability: Professional Liability insurance with a minimum of \$1,000,000 per occurrence limit.

26.1.4. Environmental Liability: Environmental Liability insurance including marine pollution coverage with a minimum of \$5,000,000 per occurrence limit.

26.1.5. Marine Insurance: Hull and Machinery insurance as required based on the Vessel's value with a minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate limits covering liability and property damage coverage, Protection & Indemnity (P&I) insurance including Passenger Liability, Marine Liability and Crew coverage including Jones Act coverage if not under Workers' Compensation with a minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate limits, Comprehensive Marine Liability insurance with a minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate limits covering the operations, contractual liabilities and product and completed operations liability exposure of Operator.

26.1.6. Umbrella Liability: Marine Umbrella Liability insurance and Bumbershoot Umbrella Liability insurance with a minimum combined limit of \$5,000,000 to apply following form to Marine Liability, Automobile Liability, Environmental Liability policies and to the P&I insurance.

26.1.7. Personal Property: Operator shall maintain whatever insurance coverage it may desire on the contents of the Submerged Area and Upland Area. "All Risk" property damage insurance covering Operator's personal property at the Submerged Area and Upland Area for damage or other loss caused by fire or other casualty or cause, including but not limited to vandalism and malicious mischief, theft, explosion, and water damage of any type.

26.1.8. Additional Insurance: Operator shall obtain on behalf of the City and maintain during the term of this Agreement, at Operator's expense (incorporated in the budget set forth in the Operations Plan), a policy naming the City and Operator as named insureds. This policy shall provide liability coverage for the Maritime Facilities and Terminal Facilities on an occurrence basis with a limit of \$1,000,000 for bodily injury and property damage (including physical property) arising out of the use, possession, maintenance or operation of the Maritime Facilities and Terminal Facilities, including damage to any dock, ramp, seawall or other areas in the Submerged Area or other areas in the Upland Area or the services required to be performed pursuant to this Agreement. The per occurrence liability deductible on this policy is \$5,000, payable by the City.

26.2. If any contractor of Operator (or subcontractor) performs any work at or upon the Upland Area or Submerged Area, Operator shall ensure that said contractor (or

subcontractor) obtains the insurance required pursuant to this Paragraph 26 and marine industry standards, as applicable, naming Operator and Covered Parties (as hereinafter defined) as additional insureds.

26.3. All of the insurance required to be maintained by Operator pursuant to this Paragraph 26, except Workers' Compensation, Professional Liability and the additional insurance described in Paragraph 26.1.8, shall name the City, the Government Partners and their officers, employees, agents, invitees, elected and appointed officials and volunteers (collectively, "Covered Parties") as additional insureds. The additional insurance required to be obtained and maintained by Operator pursuant to Paragraph 26.1.8 shall name the Covered Parties, other than those who are named insureds, as additional insureds. Operator shall perform the necessary requirements under each policy to ensure Operator's compliance with this Paragraph 26.3.

26.4. All insurance shall be provided by responsible insurers licensed in the State of Florida and rated at least an A- in the current edition of Best's Insurance Guide. If coverage is obtained by utilizing a pool, captive or club, Operator shall submit the information on the coverage and the entity providing the coverage to the City to allow the City to confirm coverage and the financial stability of the pool, captive or club. Information provided shall include a certificate with the coverages, the rules, Operator's application, confirmation the Vessel is scheduled, and verification of the financial stability of the pool, captive or club.

26.5. Operator shall provide the City with notice at least thirty (30) days prior to any cancellation, reduction or material change in coverage.

26.6. Operator hereby waives all subrogation rights of its insurance carriers, pools, captive and clubs in favor of the Covered Parties and agrees to provide its insurance carriers, pools, captives and clubs with all necessary documentation to secure this waiver. This Paragraph 26.6 is intended to waive fully and for the benefit of the Covered Parties any rights or claims which might give rise to a right of subrogation in favor of any insurance carrier, pool, captive or club.

26.7. Operator shall provide the City with Certificates of Insurance on a standard Acord form reflection all coverages, all coverage limits and all covered vessels. At the City's request Operator shall provide copies of current policies with all applicable endorsements. If coverage is obtained by utilizing a pool, captive or club, in addition to the requirements set forth in Paragraph 26.4, Operator shall provide similar documentation to an Acord form to reflect coverage and limits. Operator shall provide all information and documentation required pursuant to this Paragraph 26.7, evidencing compliance with all requirements contained herein, on or before August 5, 2016.

27. DISCLAIMERS:

27.1. Operator shall store its personal property in the Submerged Area and Upland Area at

its own risk. Operator shall also occupy the Submerged Area and Upland Area at its own risk.

27.2. Operator shall give prompt notice to the City in case of fire or accidents or other casualties on or about the Submerged Area or Upland Area.

28. ASSIGNMENT: Operator shall not have the right to assign, transfer, convey, sublet or otherwise dispose of the Submerged Area or Upland Area or this Agreement or any part thereof, or of its right, title or interest therein or its power to execute this Agreement or any amendment or modification thereto, to any person, company or corporation.

29. DEFAULT BY OPERATOR:

29.1. Subject to Operator's right to notice and opportunity to cure specified in Paragraph 29.2, Operator shall be deemed to be in default of its obligations under this Agreement upon the occurrence of any of the following:

29.1.1. Operator's failure to pay the City's Revenue Share or any other sums due under this Agreement;

29.1.2. Operator's failure to perform any covenant, promise or obligation contained in this Agreement or comply with the terms and conditions of this Agreement;

29.1.3. The appointment of a receiver or trustee for all or substantially all of Operator's assets;

29.1.4. Operator's voluntarily petition for relief under, any bankruptcy or insolvency law, or the filing of an involuntary bankruptcy petition which is not dismissed within sixty (60) days;

29.1.5. The sale of Operator's interest under this Agreement by execution or other legal process;

29.1.6. The seizure, sequestration or impounding by virtue or under authority of any legal proceeding of all or substantially all of the personal property or fixtures of Operator used in or incident to its operations at the Submerged Area or Upland Area;

29.1.7. Operator's making an assignment of its assets for the benefit of creditors;

29.1.8. Any sale, transfer, assignment, subleasing, concession, license, or other disposition of this Agreement not authorized in this Agreement; or

29.1.9. Operator doing or permitting to be done anything that creates a lien upon the Submerged Area or Upland Area and shall fail to obtain the release of any such lien or bond off any such lien as required herein.

29.2. The City may immediately terminate this Agreement if a default pursuant to Paragraph 29.1, above is not cured within ten (10) days after receipt of notice from the City, except that pursuant to Paragraph 2.1, Operator shall not be entitled to notice of default or a cure period in the event Operator fails to commence the Ferry Service on or before November 29, 2016. In the event of termination pursuant to this Paragraph 29.2, payments and refunds shall be governed by Exhibit "D".

30. DEFAULT BY CITY:

30.1. Subject to the City's right to notice and opportunity to cure specified in Paragraph 30.2, the City shall be deemed to be in default of its obligations under this Agreement upon the occurrence of any of the following:

30.1.1. The City's failure to make any required Payments to Operator as described in Exhibit "C"; or

30.1.2. The City's failure to perform any covenant, promise or obligation contained in this Agreement or comply with the terms and conditions of this Agreement.

30.2. Operator may immediately terminate this Agreement if a default pursuant to Paragraph 30.1, above is not cured within ten (10) days after receipt of notice from the City. In the event of termination pursuant to this Paragraph 30.2, payments and refunds shall be governed by Exhibit "D".

31. ENVIRONMENTAL COMPLIANCE:

31.1. For purposes of this Agreement, the following words and phrases shall have the following meaning except where the text clearly indicates a contrary intention:

31.1.1. "Environment" shall mean soil, surface waters, groundwater, land, stream and sediments, surface or subsurface strata, ambient air, interior and/or exterior of any building or improvement and any environmental medium.

31.1.2. "Environmental Condition" shall mean any condition of the Environment with respect to the Submerged Area that results from Operator's possession, use, occupation, construction and/or improvement to or operation of Operator's business on the Submerged Area or Upland Area.

31.1.3. "Environmental Laws" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq., as amended (RCRA); the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., as amended (original act known as CERCLA or "superfund", the amendments are known as SARA); the HSWA amendments to RCRA regulating Underground Storage Tanks (USTs), 42 U.S.C. Sections 6991-6991(I), as amended; the Clean Air Act of 1963, 42

U.S.C. Sections 7401, et seq., as amended (Clean Air Act); the Federal Water Pollution Control Act of 1977 and 1987, 33 U.S.C. Sections 1251, et seq., as amended (Clean Water Act); the Toxic Substances Control Act of 1976, 15 U.S.C. Sections 2601, et seq., as amended (TSCA); the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq., as amended (HMTA); the Occupational Safety and Health Act, 29 U.S.C. Sections 651 et seq., as amended (OSHA); the Act to Prevent Pollution from Ships, 33 U.S.C. Sections 1901 et seq., as amended; the Florida Resource Recovery and Management Act, Section 403.701, et seq., Florida Statutes, as amended; the Florida Pollutant Discharge Prevention and Control Act, Section 376.011-376.17 and 376.19-376.21, Florida Statutes, as amended; and Chapters 373, 376 and 403, Florida Statutes; and any other present or future federal, state, or local law, regulation, rule or ordinance implementing or promulgating the preceding federal and state statutes as well as any future federal, state, or local law whose purpose is to protect the Environment, together, in each case, with any amendment thereto.

31.1.4. "**Hazardous Material**" shall mean without limitation (1) those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substance", or "solid waste" in any Environmental Laws; (2) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (3) any materials, waste, or substance which is (A) petroleum, petroleum by-products, residuals and petroleum degradation by-products; (B) asbestos; (C) polychlorinated biphenyls; (D) flammable explosives; or (E) radioactive materials; and (4) such other substances, materials, and wastes which are or become regulated or controlled under any Environmental Laws.

31.1.5. "**Release**" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the Environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Material).

31.2. Operator shall not cause or permit any Hazardous Material to be used, stored, or generated on the Submerged Area or Upland Area, except for materials of types and quantities relevant to its business and customarily used for the operation of a passenger ferry service. Operator shall use, store, and transport materials in conformity with Environmental Laws, and all other applicable federal, state and local laws and ordinances of the City, the National Fire Protection Association (NFPA) Code, United States Coast Guard, Federal Maritime Commission, Federal Aviation Administration, local fire codes and regulations and Airport regulations and tariffs as they may be amended from time to time. The City reserves the right to terminate this Agreement immediately and without notice for any violation of the requirements concerning Hazardous Material and storage.

31.3. Operator shall not cause or permit the Release of any Hazardous Material, contaminant, or pollutant in, on, or under the Submerged Area or Upland Area or into any open surface water body, ditch, conduit, stream, storm sewer, or sanitary sewer connected

thereto or located thereon.

31.4. The City shall promptly notify Operator of every demand, notice, summons, or other process received as to any Environmental Claims (as defined herein) or legal proceeding that involves Operator or the Submerged Area or Upland Area.

31.5. Operator shall promptly notify the City of: (i) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to the presence of any Hazardous Material in or upon the Submerged Area or Upland Area or the migration thereof from or to other property, (ii) any demands or claims made or threatened by any party relating to any loss or injury resulting from any Hazardous Material in or upon the Submerged Area or Upland Area, and (iii) any matters where the City is required by Environmental Laws to give a notice to any governmental or regulatory authority respecting any Hazardous Material in or upon the Submerged Area or Upland Area. It is Operator's sole responsibility to be aware of and compliant with any additional notification requirements regarding the report of releases over or adjacent to open water to applicable federal, state and local agencies.

31.6. If any Hazardous Material is Released at, on or within the Submerged Area or Upland Area by the Operator or any other occupant of the Submerged Area or Upland Area in violation of Environmental Laws, Operator shall timely notify the City and immediately, properly and in compliance with Environmental Laws clean up and remove the Hazardous Material from the Submerged Area or Upland Area and any other affected property. Such cleanup and removal shall be at the Operator's sole expense. For purposes of removal and disposal of any such Hazardous Material, Operator shall be named as the owner and generator, obtain a waste generator identification number, and execute all permit applications, manifests, waste characterization documents and any other forms required by the appropriate state or federal environmental authority and hold the City harmless.

31.7. Operator shall defend, pay on behalf of, indemnify and hold harmless the Covered Parties from and against all claims, damages, expenses (including reasonable attorneys' fees), liabilities and all other obligations including, without limitation, third party claims for personal injury or real or personal property damage (collectively, "Environmental Claims") arising from or connected with the violation of Environmental Laws by Operator or other occupants of the Submerged Area or Upland Area except to the extent any of the foregoing Environmental Claims are attributable to the violation of Environmental Laws by the City, its officers, directors, agents or employees. The City shall have control over the City's and Operator's involvement in legal proceedings resulting from Environmental Claims and covered by the indemnification agreement contained in this Agreement. Operator's duty to indemnify the Covered Parties shall survive the expiration or earlier termination of this Agreement.

31.8. Operator shall allow authorized representatives of the City or state and federal environmental personnel, at a reasonable time and with reasonable notice, access to the

Submerged Area and the Maritime Facilities for the following purposes:

31.8.1. Conducting an environmental audit or other inspections of the Submerged Area and the Maritime Facilities.

31.8.2. Reviewing and copying of any records that must be kept under any environmental permit.

31.8.3. Viewing the facilities, equipment, practices, or operations regulated or required under such permit.

31.8.4. Sampling or monitoring any substances or parameters at any location subject to any environmental permit or federal, state or municipal environmental law or regulation.

31.9. The City shall be liable for any contamination of the Submerged Area or Upland Area caused by the City activity on the Upland Area, or other City-owned property adjacent to the Submerged Area or Upland Area.

31.10. This Paragraph 31 shall survive the expiration or earlier termination of this Agreement.

31.11. Nothing in this Agreement shall be interpreted as limiting the City's ability to seek contribution from any potentially responsible parties for any environmental violation.

32. GRAND PRIX RACE EVENTS:

32.1. This Agreement is subject to current and future agreements with third parties for the conduct of racing events in downtown St. Petersburg (any such agreement hereinafter referred to as "Grand Prix Race Agreement") and all rights (exclusive rights and other rights) and authority granted thereunder. Without limiting the generality of the foregoing, the Operator acknowledges and agrees that (i) the Submerged Area, Upland Area and Operator's business operations may be impacted by Race Events and other activities that will occur before, during and after Race Events (e.g., construction, set-up and tear down activities), and (ii) Operator shall not be entitled to any damages or abatement or set off of any amounts owed the City for any impact that the Race Event has to Operator's business operations. In the event of a conflict or ambiguity between this Agreement and any Grand Prix Race Agreement, the Grand Prix Race Agreement shall prevail. As used herein, the terms "Race Event," "Race Area" and "Race Period" shall have the meanings set forth in the Grand Prix Race Agreement.

32.2. In the absence of a written agreement between Operator and Race Promoter which specifically provides otherwise, Operator shall comply with the following regulations pertaining to the Submerged Area and Upland Area during Race Events and such other regulations as may be imposed by the City from time to time:

32.2.1. Temporary outdoor uses are prohibited.

32.2.2. All uses including but not limited to retail and food uses, operating from temporary or portable structures or vehicles such as semi-trailers, step vans, recreational or other vehicles with cooking facilities, are prohibited.

32.2.3. Sale or distribution of food or any other item outside the Submerged Area or Upland Area is prohibited.

32.2.4. Temporary structures, including bleachers or other seating in the Submerged Area or Upland Area, tents, shall not be erected and are prohibited.

32.2.5. Temporary signs, including signs on vehicles and buildings, visible from a street right-of-way and/or the Race Area are prohibited. Any sign erected shall be a permanent sign which has received the required permits.

32.2.6. Streamers, pennants, banners and inflatables, located within the Submerged Area or Upland Area, which are visible from any street right-of-way and/or the Race Area are prohibited.

33. DAMAGE TO SUBMERGED AREA, MARITIME FACILITIES, UPLAND AREA AND VESSEL:

33.1. If any portion of the Submerged Area, the Maritime Facilities, Upland Area or Terminal Facilities are substantially damaged by fire, explosion, or other casualty or occurrence ("Facilities Damage"), the City or Operator may elect to repair or replace the affected facilities within thirty (30) days of the Facilities Damage. In the event the affected facilities are not repaired or replaced within thirty (30) days of the Facilities Damage or if neither the City or Operator elects to repair or replace the affected facilities, either party may immediately terminate this Agreement. In the event of termination pursuant to this Paragraph 33.1, payments or refunds shall be governed by Exhibit "D".

33.2. If any portion of the Vessel is substantially damaged by fire, explosion, or other casualty or occurrence ("Vessel Damage"), Operator may elect to repair or replace the Vessel within thirty (30) days of the Vessel Damage. In the event Operator fails to repair or replace the Vessel within thirty (30) days of the Vessel Damage or if Operator elects not to repair or replace the Vessel, the City may immediately terminate this Agreement. In the event of termination pursuant to this Paragraph 33.2, payments or refunds shall be governed by Exhibit "D".

33.3. Nothing contained herein shall limit the City's rights and remedies against Operator if any such damage was caused by Operator, its employees, agents or contractors.

34. FORCE MAJEURE: In the event that either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of strikes, lockouts, labor

troubles, failure of power, riots, insurrection, war, acts of God, the actions or decisions of any regulatory or legal authority not the fault of the party delayed in performing work or doing acts, or any other reason not the fault of the party delayed in performing work or doing acts ("**Permitted Delay**"), such party shall be excused for the period of time equivalent to the delay caused by such Permitted Delay. Notwithstanding the foregoing, any extension of time for a Permitted Delay shall be conditioned upon the party seeking an extension of time delivering written notice of such Permitted Delay to the other party within five (5) days of the event causing the Permitted Delay, and the maximum period of time which a party may delay any act or performance of work due to a Permitted Delay shall be fifteen (15) days from the event causing the Permitted Delay. For purposes of this Paragraph 34, the Parties may send written notice via email to the email address identified in the notice paragraph of this Agreement. If a party delays any act or performance of work due to a Permitted Delay for a time period in excess of fifteen (15) days, either party may immediately terminate this Agreement. In the event of termination pursuant to this Paragraph 34, payments or refunds shall be governed by Exhibit "D".

35. **DISCRIMINATION:** Operator shall not discriminate against anyone in the use of the Submerged Area, the Maritime Facilities, the Vessel or Upland Area on the basis of race, color, religion, gender, national origin, marital status, age, disability, sexual orientation, genetic information or other protected category.
36. **RELATIONSHIP OF PARTIES:** The relationship between the Parties is that of licensor and licensee. In conducting its business hereunder, Operator shall act as an independent contractor and not as an agent of the City. The selection, retention, assignment, direction and payment of Operator's employees shall be the sole responsibility of Operator, and the City shall not attempt to exercise any control over the daily performance of duties by Operator's employees.
37. **SEVERABILITY:** Should any section or part of any section of this Agreement be rendered void, invalid or unenforceable by any court of law for any reason, such determination shall not render void, invalid or unenforceable any other section or any part of any other section of this Agreement.
38. **LAW, JURISDICTION AND VENUE:** This Agreement shall be governed and interpreted in accordance with the laws of the State of Florida. Venue for any cause of action or claim asserted by either party hereto brought in state court, shall be in Pinellas County, Florida, St. Petersburg Division. Venue for any action brought in federal court shall be in the Middle District of Florida, Tampa Division, unless a division shall be created in St. Petersburg or Pinellas County, in which case the action shall be brought in that division. Each party waives any defense, whether asserted by motion or pleading, that the aforementioned courts are an improper or inconvenient venue. Moreover, the Parties consent to the personal jurisdiction of the aforementioned courts and irrevocably waive any objections to said jurisdiction.
39. **DUE AUTHORITY:** Each party to this Agreement that is not an individual represents and

warrants to the other party that (i) it is a duly organized, qualified and existing entity under the laws of the State of Florida, and (ii) all appropriate authority exists so as to duly authorize the persons executing this Agreement to so execute the same and fully bind the party on whose behalf he or she is executing.

40. ACCESS TO SUBMERGED AREA: The City reserves the right to enter upon the Submerged Area at all reasonable hours.

41. AMERICANS WITH DISABILITIES ACT OF 1990: Operator assumes all responsibility, including but not limited to, financial, construction and physical modification costs, provision of auxiliary aids, services and legal costs, for ensuring compliance with all aspects of the Americans with Disabilities Act of 1990 (ADA) and any amendments thereto.

42. SAFETY:

42.1. Operator shall remove the Vessel from the berth at the Maritime Facilities upon the request of the City, if in the sole discretion of the City the Vessel poses an imminent threat to the safety of persons or property. Such a request by the City shall not be deemed a disturbance of Operator's right of occupancy and use of the Submerged Area or Upland Area and shall not be a basis for a claim for damages or any legal action of any type against the City.

42.2. In recognition of the danger posed to other vessels, the Submerged Area, Upland Area and adjacent facilities by a shipboard fire while at the Submerged Area, and in recognition of the relative superior expertise and equipment possessed by the St. Petersburg Fire & Rescue Department, Operator shall, as a condition of utilizing the Submerged Area:

42.2.1. Cooperate with the St. Petersburg Fire & Rescue Department in formulating a plan to fight shipboard fires while docked at the Submerged Area;

42.2.2. Permit, without exception, the boarding of the Vessel while at the Submerged Area by fire officials who are responding to a report of a shipboard fire;

42.2.3. Permit, without exception, the boarding of the Vessel while at the Submerged Area by firefighting units when required by fire officials who have boarded pursuant to Paragraph 42.2.2, above; and

42.2.4. Ensure that the management, captain, crew and security personnel are at all times aware of the permission contained herein in order to assure unfettered access by fire officials and units for the purpose of prompt, efficient response to a shipboard fire. Operator will provide the St. Petersburg Fire & Rescue Department with a letter setting out the provisions of this Paragraph 42 and the permission contained herein.

42.3. The permission contained herein applies to any vessel owned or operated by Operator

berthed at the Maritime Facilities.

42.4. Operator shall have a duty to warn all persons who enter on the Submerged Area and Maritime Facilities of any dangerous conditions thereon known to Operator.

43. NO EXCLUSIVE RIGHTS: Nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right other than right of use of the Submerged Area and Upland Area pursuant to the terms and conditions of this Agreement.
44. SURVIVAL: All obligations of Operator (including but not limited to indemnity obligations) and rights of the City arising during or attributable to the period prior to expiration or earlier termination of this Agreement shall survive such expiration or earlier termination.
45. REPLACEMENT FACILITY: The City is under no obligation to locate or provide a replacement facilities under any circumstances including, but not limited to, substantial damage to the existing improvements by fire, flood, hurricane, tornado, earthquake or other form of natural disaster, or termination of this Agreement.
46. NO REPRESENTATIONS CONCERNING FUTURE USE OF SUBMERGED AREA AND UPLAND AREA: The City has made no representations to Operator concerning the use of the Submerged Area and Upland Area after the expiration or earlier termination of this Agreement nor has the City made any representations to Operator that the City will extend this Agreement or enter into any other agreement with Operator in the future.
47. WAIVER: The waiver by the City or Operator of any breach or default of any term, covenant or condition shall not be deemed to be a waiver of any subsequent breach or default of the same or any other term, covenant or condition, nor shall the acceptance or payment of the City's Revenue Share or other payment be deemed to be a waiver of any such breach or default. No term, covenant or condition of this Agreement shall be deemed to have been waived by the City or Operator, unless such waiver is in writing.
48. NOTICES: Unless otherwise provided in this Agreement, any notice, demand, request or other instrument which may be or is required to be given or delivered under this Agreement shall be deemed to be delivered (i) whether or not actually received, five (5) days after deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, or (ii) when received (or when receipt is refused) if delivered personally or sent by a nationally recognized overnight courier, all charges prepaid, at the addresses of the City and Operator as set forth in this paragraph. Such address may be changed by providing written notice to the other party in accordance with this Paragraph 48. Except for Paragraph 34, the Parties acknowledge that copies of any notice sent by facsimile or e-mail are for convenience only, and shall not be deemed to be proper notice required hereunder.

<p>If to Operator, addressed to: HMS Ferries, Inc. c/o Gregory A. Dronkert, President 385 Ericksen Ave. NE., Suite 123 Bainbridge Island, WA 99110 Email: gdronkert@hmsgm.com</p>	<p>If to City, addressed to: City of St. Petersburg Downtown Enterprise Facilities Post Office Box 2842 St. Petersburg, FL 33731-2842 Attn: Alan DeLisle Email: Alan.DeLisle@stpete.org</p> <p>With copy to: City of St. Petersburg Downtown Enterprise Facilities Post Office Box 2842 St. Petersburg, FL 33731-2842 Attn: Joe Zeoli Email: joe.zeoli@stpete.org</p> <p>And</p> <p>City of St. Petersburg Real Estate & Property Management Department Post Office Box 2842 St. Petersburg, FL 33731-2842 Attn: Bruce Grimes Email: Bruce.Grimes@stpete.org</p>
<p style="text-align: center;">HAZARDOUS MATERIALS SPILL CONTACTS Marina Supervisor on Duty (During Business Hours) (727) 893-7329 Marina Security Officer (After Hours) (727) 639-5790 Sea Tow/Sea Spill Services Tampa Bay (24/7) (727) 547-1868</p>	

Refer to Real Estate & Property Management File No. L- 6300 when making any inquiries to the City concerning this Agreement.

49. **PARAGRAPH NUMBERS AND CAPTIONS:** The paragraph numbers and captions appearing in this Agreement are inserted for convenience and reference only, and shall not be considered or referred to in resolving questions of interpretation.

50. **ENTIRE AGREEMENT:** This Agreement including exhibits hereto if any, constitutes the entire agreement between the City and Operator and its professional advisors. No change will be valid, unless made by supplemental written agreement executed and approved by the Parties.

51. **NO THIRD PARTY BENEFICIARIES:** This Agreement sets forth the agreement between the Parties and all rights and benefits established herein are established solely for the benefit of

the Parties and are not intended to establish any rights or benefits in any other person or entity.

52. **RECORDING:** This Agreement shall not be recorded in the public records by either Party.
53. **OPERATOR ENTITY:** Operator shall do all things necessary to comply with all the legal requirements to be a business entity authorized to operate within the State of Florida including but not limited to active registration with the Florida Division of Corporations. If Operator is a foreign entity, it shall also do all things necessary to comply with all the legal requirements to be a business entity authorized to operate in its state of domicile, including but not limited to required registrations and filings with that state. Should Operator at any time fail to be in compliance with those legal requirements, said failure shall constitute a default of this Agreement and this Agreement may be immediately terminated by the City in its sole discretion.
54. **CURRENT OFFICERS:** Operator shall provide the City, in writing, with the name, title, address and telephone numbers of all of corporate members and officers at or before the Effective Date or within thirty (30) calendar days of their election or appointment to office. Should any members or officers reside at more than one residence, both addresses and telephone numbers shall be supplied to the City.
55. **BROKERAGE FEES:** Operator and the City warrant to each other that there is no broker or other individual entitled to any commission or fee by reason of this Agreement. Operator shall defend, indemnify, pay on behalf of and hold the City harmless from any and all loss, damage, cost and expense, including reasonable attorney's fees, which the City may sustain or incur by reason of any real estate commission or fee claimed to be due by, through or under Operator. The City, to the extent permitted by law, shall indemnify, pay on behalf of and hold Operator harmless from any and all loss, damage, cost and expense, including reasonable attorney's fees, which Operator may sustain or incur by reason of any real estate commission or fee claimed to be due by, through or under the City.
56. **EXERCISING OF CITY'S RIGHTS:** All rights reserved to the City under this Agreement shall be exercised in a reasonable manner and in a manner so as to minimize any adverse impact to Operator's business or Operator's use or enjoyment of the Submerged Area and Upland Area.
57. **TIME REQUIREMENTS:** Time is of the essence. Time periods herein shall include Saturdays, Sundays, and state and national legal holidays and shall end at 5:00 P.M. eastern time.
58. **CITY CONSENT AND ACTION:**
- 58.1. For the purposes of this Agreement, any required written permission, consent, approval or agreement ("City Approval") by the City means the approval of the Mayor or his

designee unless otherwise set forth herein and such City Approval shall be in addition to any and all permits and other licenses required by applicable Laws or this Agreement.

58.2. For the purposes of this Agreement, any right of the City to take any action permitted, allowed or required by this Agreement, may be exercised by the Mayor or his designee, unless otherwise set forth herein.

59. NON-APPROPRIATION: The obligations of the City as to any funding required pursuant to this Agreement, shall be limited to an obligation in any given year to budget and appropriate from legally available funds, after monies for essential City services have been budgeted and appropriated, sufficient monies for the funding that is required during that year. Notwithstanding the foregoing, the City shall not be prohibited from pledging any legally available non-ad valorem revenues for any obligations heretofore or hereafter incurred, which pledge shall be prior and superior to any obligation of the City pursuant to this Agreement.
60. RADON GAS: 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 health department.
61. CITY AS A MUNICIPAL CORPORATION: Nothing contained in this Agreement shall be interpreted to require the City to take any action or refrain from taking any action that would be adverse to its status as a municipal corporation or to take or refrain from taking any action in its capacity as a municipal corporation not specifically required by this Agreement.
62. CITY COUNCIL APPROVAL: This Agreement and any amendments thereto are subject to approval by the City Council of the City of St. Petersburg.
63. NO CONSTRUCTION AGAINST PREPARER OF AGREEMENT: This Agreement has been prepared by the City and reviewed by Operator and its professional advisors. The City, Operator and Operator's professional advisors believe that this Agreement expresses their agreement and that it should not be interpreted in favor of either the City or Operator or against the City or Operator merely because of their efforts in preparing it.
64. NO LIENS: Operator shall not suffer any liens to be filed against the Submerged Area and Upland Area by reason of any work, labor, services or materials performed at or furnished to the Submerged Area or Upland Area, to Operator, or to anyone using the Submerged Area or Upland Area through or under Operator. Nothing contained in this Agreement shall be construed as a consent on the part of the City to subject the Submerged Area or Upland Area or any part thereof to any lien or liability under the lien laws of the State of Florida.
65. PARKING: Ferry Service customers may park in the adjacent Dolphin parking lot pursuant

to the City's parking operations management.

66. **EXHIBITS:** Each exhibit to this Agreement is an essential part hereof and is incorporated herein by reference.

(The remainder of this page has been intentionally left blank.)

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date and year first above written.

WITNESSES: (as to Operator)

OPERATOR: HMS Ferries, Inc.

Joseph Zeboli
Witness Signature

By: Gregory A. Dronkert
Gregory A. Dronkert, President

Joseph ZEBOLI
Typed Printed or Stamped Name

Dexter Smith
Witness Signature

DEXTER SMITH
Typed Printed or Stamped Name

WITNESSES: (as to City)

CITY: City of St. Petersburg, Florida

Sign: _____

Print: _____

Rick Kriseman

As Its: Mayor

Sign: _____

Print: _____

ATTEST: _____

Chan Srinivasa, City Clerk

(Seal)

REAL ESTATE PROVISIONS
REVIEWED BY:

REVIEWED BY:

Bruce E. Grimes, Director
Real Estate & Property Management

Alan H. DeLisle, Administrator
City Development Administration

APPROVED AS TO CONTENT AND FORM:

City Attorney (Designee)
By: _____
Assistant City Attorney

Legal: 00280477

EXHIBIT "A" –Operations Plan

Business and Operations Plan

Tampa Bay Ferry Pilot Project



Prepared For:

City of St. Petersburg
P.O. Box 2842
St. Petersburg, FL 33731

Prepared By:



HMS Ferries, Inc.
385 Ericksen Ave NE, Suite 123
Bainbridge Island, WA 98110

May 2, 2016

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1 Project Background

Reference: RQU No. 7942

The City of St. Petersburg (the City) determined there is a public need to evaluate ferry service between the City of St. Petersburg, the City of Tampa, and possibly other municipalities in Hillsborough County, Florida.

As a result, RQU No. 7942 was issued on November 30, 2015 to solicit proposals for passenger ferry operations services intended to determine the necessity and viability of a regular Tampa Bay ferry service.

HMS Ferries, Inc. (HMS) is a ferry operating company that provides ferry services to government and private clients. As part of HMS's response to RQU No. 7942 it was proposed the project be implemented in two phases: 1) develop a detailed Business and Operations Plan and 2) award an Operations Contract to deliver Pilot Project services.

The City identified HMS as the successful respondent and issued an initial contract for HMS to develop the proposed Business and Operations Plan. Once the Business and Operations Plan is adopted and funding is approved, the City has the option to: 1) proceed to the actual (operational) Pilot Project, 2) define and contract for additional feasibility work, or 3) cancel the procurement.

While HMS's response to RQU No. 7942 identified Operator and Owner (City) areas of responsibility, it became clear during reconnaissance and due diligence that the City prefers a more comprehensive approach and may wish to have HMS provide additional services and management. This is consistent with the scope of the RQU and HMS is fully capable and willing to provide this additional scope.

Should the City decide to proceed to the operational phase of this project, the final scope of work, terms and costs will be defined in a Management and Operations Agreement. The budget reflected in this Business and Operations Plan envisions a comprehensive service agreement, based on the conditions and information currently available.

Summary of Project Scope

Task	Original HMS Scope Proposed in RQU No. 7942	The City / Client
Key Contracts	Operating Contracts Ferry Vessel Charter Barge Contract(s) Service Agreements	The City may have HMS procure and manage: Terminal Landing Contracts Docks and Gangways Installation Marketing Contract Concession Contract(s)
Marine Management	In HMS scope	No change
Marine Operations	In HMS scope	No change
Marine Administration and Ticketing	In HMS scope	No change
Project Customer Support	In HMS scope	No change
Maritime Facilities Development	In coordination with the City	In coordination with HMS
Marketing Contractor Procurement and Support	Not in HMS original scope	The City may have HMS procure and manage
Scheduling	HMS recommendation - City decision	No change
Fares / Pricing	HMS recommendation - City decision	No change
Terminal - Marine Environmental Regulatory	Not in HMS original scope	HMS operations will support the City and Apollo's responsibilities to secure environmental and property permits
Terminal - Landside Development for St. Petersburg	HMS to support design efforts	The City's responsibility to identify, with HMS support, landside facilities with improvements undertaken by the City or its subcontractors.
Terminal - Landside Development for Apollo	HMS to support design efforts	The City may have HMS procure and manage
Insurance	Vessel Hull and Machinery, P&I and General Liability. No docks, gangways, landside property, or P&I insurance. No business interruption.	The City may have HMS procure and manage property, P&I, business interruption and other insurances for docks, gangways, landside
Maintenance	Routine Maintenance (minor)	No change
Coast Guard Inspections and Approvals	HMS responsibility	No change
Concession Services	Not in HMS original scope	The City may have HMS procure and manage
Marketing & Advertising	Not in HMS original scope	The City requests HMS procure
Routine Vessel Maintenance	In HMS scope	No change
Major Mechanical	No change	The City responsible

2 Business Overview

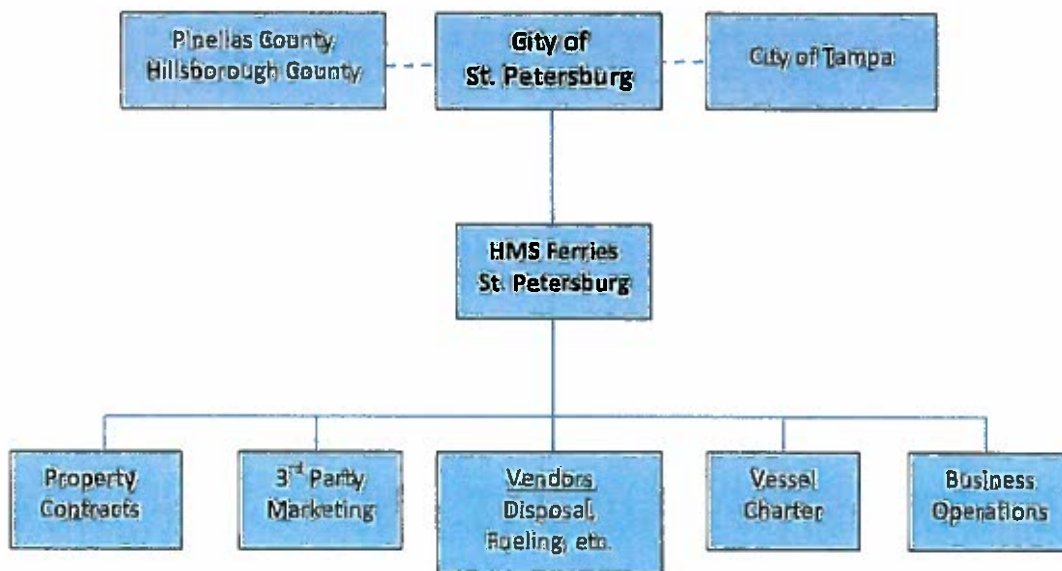
The Business Overview presents business related topics including:

- Parties involved and their relationships
- Key Contract Items
- Summary of Services
- Project Objectives
- Summary of Financial

2.1 Parties Involved

The primary parties involved in the Tampa Bay Ferry Pilot Project are the City of St. Petersburg (The City) and its selected marine operations and consulting company, HMS Ferries, Inc. (HMS). The following organizational chart illustrates relations between the parties:

Inter-Business Relationships



2.2 Key Contract Items

- 2.2.1 Pilot Project Management and Operations Agreement – City of St. Petersburg and HMS Ferries, Inc.
- 2.2.2 Ferry Vessel Charter – HMS and Vessel Owner
- 2.2.3 Barge Contracts – HMS (on behalf of the City) and Barge Company
- 2.2.4 Property/Landing Contracts – City and terminal / land owners (DK/Apollo, and Tampa Convention Center)
- 2.2.5 HMS Services Agreements – Pump out, Cleaning, and Concessions
- 2.2.6 City Service Agreements - Fuel
- 2.2.7 Marketing Contractor – City and PR/Marketing firm

2.3 Summary of Services

The Pilot Project will provide scheduled weekend service between St. Petersburg and Tampa on Friday, Saturday, and Sunday. The Pilot Project will also test limited weekday commuter service originating from St. Petersburg traveling to downtown Tampa. Service may possibly also include optional service to Apollo Beach, subject to regulatory and permitting approvals. In such event, the Pilot Project would test commuter service between Apollo Beach and Tampa, as well as weeknight (Mon.-Thur.) service between Apollo Beach and St. Petersburg. Charters or excursion demonstration services can be offered to maximize revenues, and test a broader range of services.

2.4 Project Objectives

The primary objective of the Pilot Project is to showcase passenger ferry transportation both as a technology and a viable transportation option for Tampa Bay. The Pilot Project will provide insight, information, and data about the level of interest and efficacy of the inter-city commuter. The Pilot Project will also explore and demonstrate the efficacies associated with co-operative marketing and the economic benefits of connecting businesses to customers in Tampa, St. Petersburg, and southern Hillsborough County.

The Pilot Project will gain a wide range of information and data that can be used to measure ridership demand and customer preferences. This information can further be used to define future service options and vessel design specifications, including such factors as optimal vessel size, speed, configuration, and amenities.

2.5 Financial Summary

COSTS

HMS' initial proposal called for weekend service between St. Petersburg and Tampa and weeknight excursion service out of St. Petersburg. The estimated cost of these initial elements remains unchanged. This initial budget expressly excluded marketing, landside development costs, and commuter service and a third terminal location. Further, the initial proposal did not contemplate HMS undertaking turnkey project development for all its elements. The addition of these items increases the project range to \$1.79 - \$1.95 million, with approximately \$165,000 associated with the development of an optional terminal facility in Apollo Beach.

The estimated costs includes all aspects associated with the mobilization, demobilization and delivery of the service as understood at this time.

A general breakdown of the project costs are as follows:

Cost Item	Fixed	Variable
Vessel Operations, Administration, Project Management	\$974,676	
Insurance Deductibles and Vessel Contingencies	\$57,750	
Fuel		\$335,160
St. Pete-Tampa maritime facilities		\$123,287
St. Pete-Tampa landside facilities		\$86,940
Apollo Beach maritime and landside facilities		\$164,690
Insurance		\$24,235
Marketing		\$78,750
Contingency		\$105,000
Subtotal		\$918,062
Total	\$1,950,488	

REVENUE

The Pilot Project will generate revenue, and the magnitude of which will depend on: 1) the final operating schedule, 2) pilot ferry service utilization, and 3) fares.

Also, marketing and promotional activities for the Pilot Project will have a tremendous impact on public awareness and associated interest in utilizing the service.

The interplay of these variables is complex and a conclusive prediction cannot be provided with the information that is currently available.

What can be provided is a range of the potential revenue generated from the ferry service. With this, the City can consider the possible contribution that collected fares can make toward the costs of the Pilot Project.

Stakeholders should bear in mind, when considering permanent ferry service, this very question - what level of contribution can realistically be generated from the Fare Box - is part of what the Tampa Bay Pilot Project seeks to evaluate.

Refer to Sample Schedule – Exhibit 1 and Revenue Matrix – Exhibit 2

3 HMS St. Petersburg Operations

3.1 HMS Ferries – Management Team

The management support team offered by HMS Ferries includes both Off-site Management Support, as well as the On-site management team:

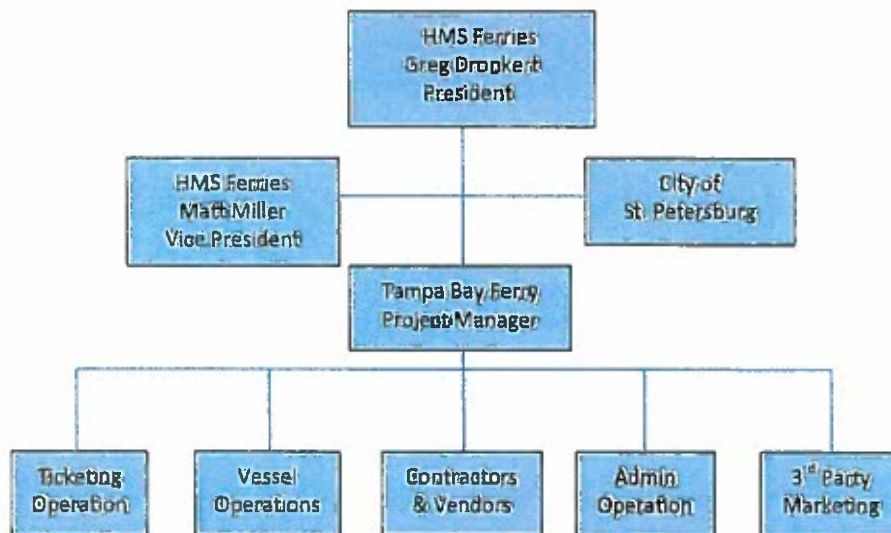
3.1.1 (OFF-SITE) Project Support Team

HMS Ferries – Bainbridge Island, WA Office
Contract Management
Fleet Safety Officer
Administrative Support
Fleet Technical Support

3.1.2 (ON-SITE) Project Management

HMS St. Petersburg Office
Project Manager
Administrative Manager
Customer Service Manager
Senior Master

St. Petersburg Pilot Project Organization Chart

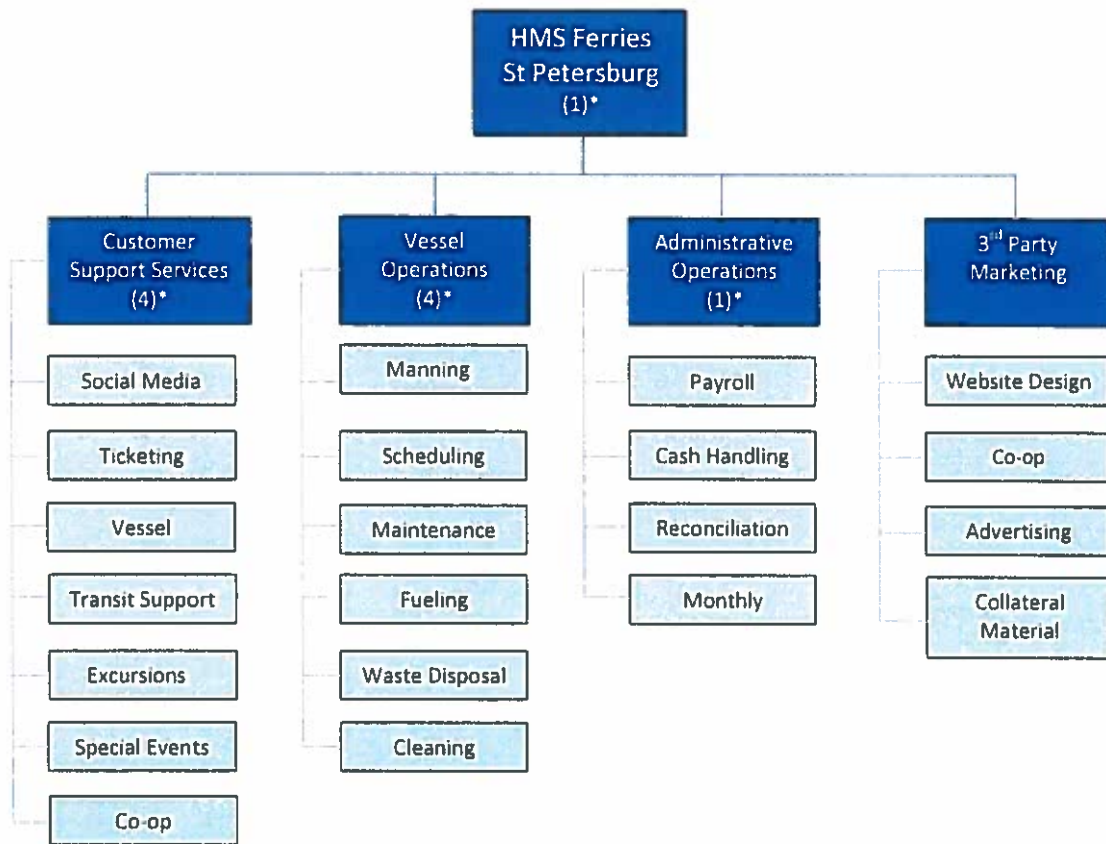


3.2 St. Petersburg Functional Operations

HMS local operations management and support will be located in St. Petersburg. Key personnel will support administrative operations, customer services, and vessel operations, as well as manage third-party contracts and services.

The following diagram outlines functional operations that are supported by the HMS St. Petersburg office:

St. Petersburg Functional Operations Diagram



*Asterisk represents number of persons in each role

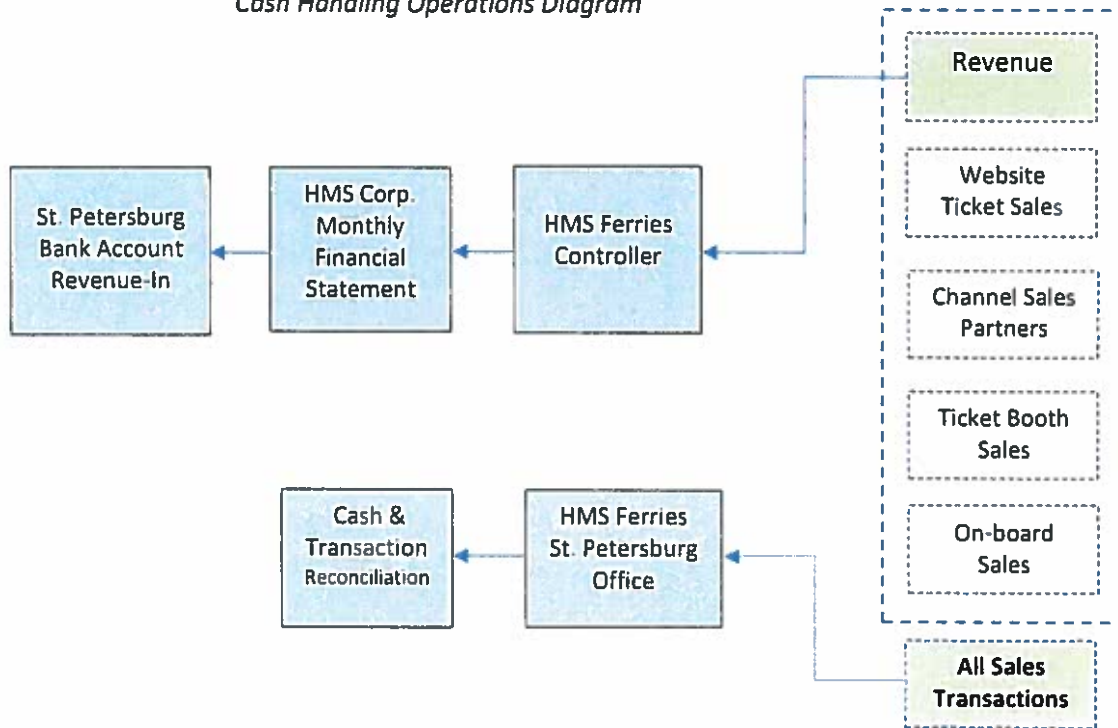
3.2.1 Project Manager

The Project Manager is responsible for all operations both onshore and afloat and insures effective and efficient controls are in place to insure safe and efficient vessel operations and accurate accounting of all business operations. The Project Manager is also responsible for implementing and overseeing all relevant terms of project development and implementation as identified in the scope of the Operating Agreement. Regular reporting and communications will be maintained between the HMS St. Petersburg Office, HMS Corporate Offices, and the City of St. Petersburg.

3.2.2 Administrative Operations

The Administrative Support person is responsible for insuring all cash handling, reconciliation, monthly reporting and interfacing with the HMS Corporate Controller and client are accomplished accurately and efficiently. Standard Operating Procedures will specifically describe every step of the cash-handling operation.

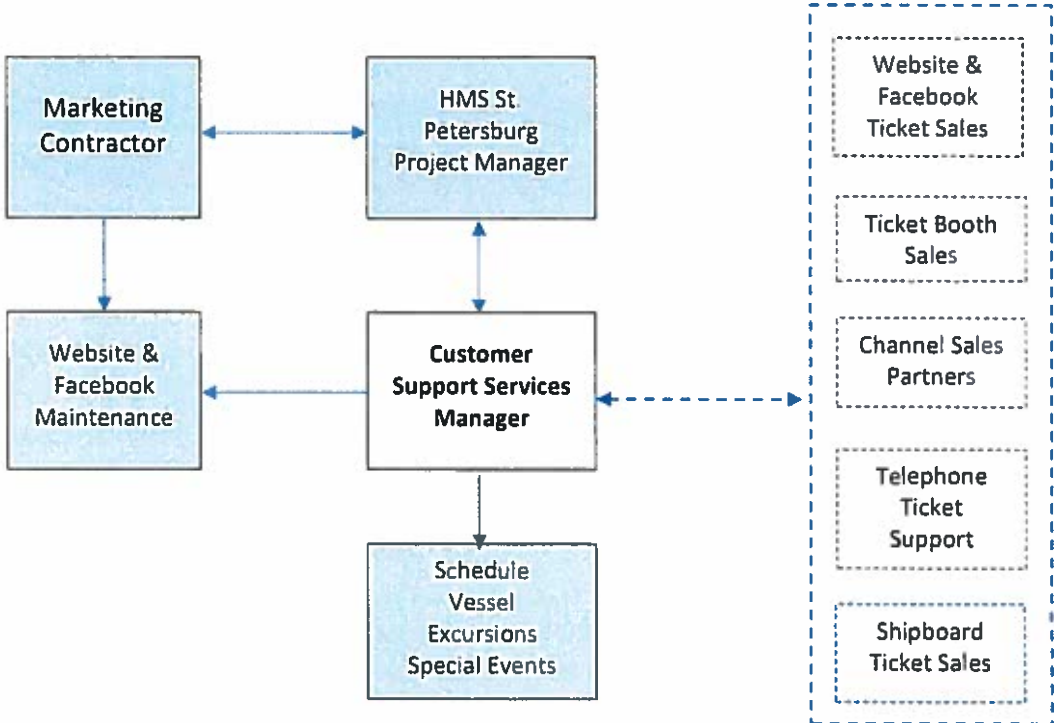
Cash Handling Operations Diagram



3.2.3 Customer Support Services

The Customer Support Manager will oversee the customer support line, and ticket booth operations, as well as interface with the co-op marketing participants. Additionally, this department will have day-to-day responsibility for Social Media content, the ferry operation’s ticketing system, and interface with 3rd Party support vendors. The specific allocation of responsibilities between the Customer Support Manager and Marketing Contractor will be defined and determined during project mobilization.

Customer Support Services Diagram



3.2.4 Marketing Contractor

HMS recommends that the services of a local marketing & public relations company be contracted. A procurement can be conducted to select a company that will develop and implement a communications, marketing, and public relations program for the Pilot Project. The preference may be to select a company that has close working relationship or knowledge of the marketing, outreach, and membership platforms of major visitor and business stakeholder groups that have been assisting with the Pilot Project plan development. Example stakeholders include Visit St. Petersburg/Clearwater, Visit Tampa Bay, the Tampa Downtown Partnership, and the St. Petersburg Chamber of Commerce. Input on this matter was communicated by the Ybor City Chamber of Commerce, the St. Petersburg Downtown Partnership, the Tampa Bay Lightning, and Tampa Bay Rays.

3.2.5 Vessel Operations

In support of the Pilot Project, HMS intends to enter into a charter agreement with Bay State Cruise Company. This arrangement is subject to vessel availability, entering into a charter agreement, and timely payment of required deposits.

The basic outline of inclusions and terms offered by Bay State Cruise Company include:

- Deliver vessel to Tampa Bay no later than October 27, 2016
- Ensure U.S. Coast Guard Certificate of Inspection to conduct passenger operations in Tampa Bay
- Provide Master and Mate
- Provide crew housing, as well as travel costs to support crew rotation
- All vessel insurance required to operate, carrying passengers for hire, and indemnifying: City of St. Petersburg, City of Tampa, Hillsborough County and HMS Ferries
- Fuel for round-trip delivery of vessel to and from Tampa, as well as all regular preventative maintenance.

3.2.6 Chain of Command

The Chain of Command is the line of authority and responsibility along which orders are passed throughout the operation. Pertaining to vessel operations, the ship's Master has the overriding authority and is directly and ultimately responsible for the safety of the passengers, crew, and vessel. All vessel crew report directly to the Master, and issues related to the safety of the vessel, crew and passengers are brought to his or her immediate attention. The Master shall report all pertinent information to the General Manager who in turn provides guidance and support to the Master for the safe operation of the vessel.

4 Service Description

4.1 St. Petersburg to City of Tampa Weekend Scheduled Service

Scheduled transit between St. Petersburg and downtown Tampa is intended to run Friday, Saturday and Sunday. Preliminary sample hours of operation will include three round-trip services per day. Fare pricing should be based upon the recreational nature of this trip. The City will need to establish all pricing for the Pilot Project, but it is recommended that a fare ranging from \$10 to \$12 for a one-way adult ticket (and a lower fare for children) is appropriate. Fares can be finalized as part of project mobilization and with consultation from the Marketing Contractor.

4.2 St. Petersburg-Tampa Scheduled Commuter Service

The Pilot Project will assess the market and test limited commuter service from St. Petersburg to downtown Tampa. This service consists of an early morning run from St. Petersburg to Tampa and returning to St. Petersburg at the end of the workday. The vessel could layover (in Tampa) or provide additional departures. This service could operate Monday through Thursday.

The Tampa terminal can be located at the Tampa Convention Center. This site is served during the week by the downtown circulating trolley (operating during the hours of the proposed commuter ferry service). Connecting service would also be facilitated by the introduction of the Downtowner this spring by the Tampa Downtown Partnership. This is an app-based service that will take passengers directly from the Tampa Landing to their place of employment within the central business district (CBD).

The base population commuting from the downtown St. Petersburg vicinity to the Tampa CBD appears to be relatively small based on U.S. Census data. This limited potential supply of commuters may be compensated by the significant transportation congestion of major roadways during the winter months when both schools are in session and visitors are more numerous. Per the City's request, it may be optimal to commence this service after the holidays and the NCAA National Championship game on January 9, 2017.

4.3 Apollo Beach Service Options.

Subject to the City securing regulatory approvals and permits for the Apollo Beach terminal location, and timely dredging of the entrance channel, the Pilot Project could provide two types of service from Apollo Beach. One of these could be commuter service to the City of Tampa. This service would originate and terminate in St. Petersburg and would operate in a similar manner as the St. Petersburg – City of Tampa commuter service. The downtown Tampa commuter population that resides in and around Apollo Beach is considerably larger than the commuters coming from St. Petersburg. Like the St. Petersburg commuter service, market assessment and advanced promotion would be undertaken prior to launching the service.

Weekend night service between Apollo Beach and St. Petersburg is another option. This service could operate between Monday and Thursday.

4.4 Special and Private Events

Special ferry operations could be available for private and special events in Tampa Bay that originate out of St. Petersburg. Private events may include businesses or private parties who wish to contract the entire vessel. Special events may include New Year's Eve, Gasparilla, the Men's NCAA National Championship, and the St. Petersburg Grand Prix. Such service would be outside of the regular operating schedule and thus would result in additional operational costs.

4.5 April Sports Service

The potential for Tampa Bay Lightning playoff games and the first month of Tampa Bay Rays games presents unique opportunities for event service in April 2017. It may be desirable to amend all schedules to coincide with sports fan travel for these events during mid-week. Weekend schedules should already meet the travel demands for these games.

5 Facilities and Terminals

Following is a description of the primary ferry landings and includes required modifications, scope of mobilization, and timing. An additional (optional) terminal is also discussed.

5.1 St. Petersburg

5.1.1 Location of proposed landing

A temporary 20' x 80' landing can be provided by using four (4) 10' x 40' barge units, which would be secured into place with "spuds" in the Vinoy Mooring Basin. The location would be in close proximity to the Museum of History. The bathometric (underwater) survey for this area shows the depth quickly drops to 7.5' within several feet of the shore, then continues to drop to 13.7'. The vessel and landing would sit in approximately 11.7' of water. These specifications represent a modification of HMS's original proposal. After close evaluation, HMS and officials from the City determined a more robust landing platform would be needed to handle the choppy and often forceful wave patterns that are generated in the Vinoy basin resulting from strong easterly and northeast winds. *See Exhibit 3 for sample Barge Specs.*



Birdseye view of Vinoy Boat Basin.

Southwest View of Vinoy Basin



Northern Downtown View of Vinoy Basin



5.1.2 Barges - Modifications Required

Barge modifications include installing “D-rubber” style fenders mounted on steel “H” beams to the sides of the barges. HMS can manage the logistics for contracting the barges, their delivery to the Vinoy Basin location, and required barge modifications.

5.1.3 Potential Adverse Conditions

Below is an eastern view of the entrance to Vinoy Mooring Basin. An eastern or northeast wind can generate chop that will carry into the basin. Chop can deflect and cause choppy wave action that would have adverse impacts on the ferry vessel and barges. The full severity of such action is unknown, particularly in the event of strong or gale-force winds. In the event it is viewed that such conditions represent a danger to the ferry vessel, it may be necessary to move the vessel to the Apollo Beach Landing or Tampa Bay Landing until such conditions lessen.

Eastern Exposure to Vinoy Basin



5.1.4 Loading Ramps

Passenger boarding ramps are required to facilitate transfer of passengers between the shore and ferry vessel at the Vinoy Basin Landing. An existing ramp can be used to connect the barge to the shore (provided a professional design review is accomplished), while a smaller ramp will be constructed to facilitate passenger loading from the barge to the vessel. *See Exhibit 4 for sample drawing of ramps.*

5.1.5 Utilities – Upgrade for water and electricity activation

The City (through the Engineering department) is responsible for upgrading the existing utilities that will include water and power. Power requirements are 50-amp, 240VAC, single phase. The power station should accommodate a standard marine Hubble Style Connector.

5.1.6 Fueling and Waste Disposal

Fueling operations will be conducted at the Vinoy Basin location subject to U.S. Coast Guard approval. The ferry vessel requires as much as 1,200-gallons of diesel fuel per day. Additionally, a vacuum truck will be contracted for daily black-water/sewage pump outs.

5.1.7 Upland Facilities – Passenger Staging

It is recommended that the City set up a single 30' x 50' tent in proximity to the boarding area. The surrounding area will need to be fenced for security and passenger control. A secure ticket booth will be located inside the tent. The tent should include appropriate lighting and all required safety features required by City Code and the Fire Marshall for a structure of this type. Additional minor sidewalk and passenger amenities can be defined during project mobilization. Additional restroom facilities are not envisioned since permanent facilities are located near (a few hundred feet) the terminal.

5.1.8 Parking and Intermodal Transportation

Approximately 200 parking spaces are needed to serve the St. Petersburg-Tampa ferry schedule. There is ample parking adjacent to the St. Petersburg Terminal that can serve as the primary parking area. The City is responsible for providing ferry terminal and parking wayfinding signage. Links to transit and other related transportation infrastructure should include The Downtown Looper and the Central Avenue Trolley, which originate at the location of the St. Petersburg ferry terminal. The Downtown Looper provides circulator services within the downtown area, while the Central Avenue Trolley provides service down Central Avenue to the beaches. Both have free fare zones within the downtown core area. The Downtown Looper Service, otherwise, is a nominal \$.50 per passenger. The Central Avenue Trolley costs \$.50 per person to the Grand Central Station, and \$2.25 per person out to the Tradewinds Resort and Pass-A-Grille. Pinellas Suncoast Transit Authority (PSTA) has indicated that it would work in conjunction with the Pilot Project on developing a seamless marketing package and would evaluate the potential for discounted fares. There may also be significant opportunities to package combination bus and ferry tickets for beach hoteliers and destinations.

Given this is a Pilot Project, it is not practical to establish a single-fare card or point of payment. Providing a single integrated system and accounting for cash flow is too administratively complex for a limited Pilot Project. However, HMS, PSTA, and the Downtown Looper will work towards establishing a coordinated communications plan that presents riders with smooth links between the transit services.

An HMS ticket agent will be staged at the Vinoy Dock during regularly scheduled transit hours or to support special events. Ferry advertising will encourage patrons to use the online ticketing system, which allows the person to reserve a route for a specific date and time. Patrons will also be able to purchase tickets at the ticket booth on a first-come, first-serve basis, or purchase tickets for a later date. Ticket sales will also be supported aboard the vessel when no shore-side sales are open or available. In such circumstances, the Deckhand will sell tickets to walk-up passengers and the Mate will scan boarding passengers with pre-purchased tickets.

5.1.9 Regulatory Issues

Proposed marine improvements associated with the St. Petersburg Terminal require review and approval by the Army Corps of Engineers (ACE), Florida Department of Environmental Regulation and possibly other agencies. The City has retained AECOM under separate contract and AECOM has prepared and submitted a letter to the ACE requesting an exemption by the ACE for the minor improvements required at the St. Petersburg and Tampa sites. This review is expected to be completed expeditiously.

5.2 Tampa

5.2.1 Exact location of landing

The Tampa service can dock alongside the Seawall directly in front of, and managed by, the Tampa Convention Center (TCC). The ferry operation will benefit from ancillary amenities at this location including a covered public area with bathroom facilities, as well excellent visibility during convention events.

Excursion services from this location will be restricted and/or limited as a condition of its use.

Tampa Convention Center Ferry Landing



5.2.2 Identify landing modifications for ferry vessel

Minor modifications are required to land at the TCC's Seawall. Modifications include mounting three "D" style fenders directly to the face of the seawall.



The Seawall has proper bollards and cleats installed to accommodate docking. Three fenders need to be installed and 2-fenders need to be manufactured to accommodate passengers. See *Exhibit 5* for scale drawing of vessel docked at the convention center.

5.2.3 Specifications to manufacture aluminum loading ramp

Loading and unloading will be accommodated by both forward and aft loading gates. To facilitate boarding, upon arriving at the slipwall, two 6' boarding ramps will be positioned to accommodate passenger loading and unloading.



*Sample boarding ramp
for Tampa Convention
Center*

5.2.4 Utilities

Both power and water is available at the Seawall. The convention center can accommodate either 208V 3-phase or 480 VAC.

5.2.5 Upland Facilities – Passenger Staging - Covered Areas / Benches

Passenger comforts, including bathroom facilities, are readily available in the immediate area.



5.2.6 Parking – Identify public parking for Ferry Operations

Like St. Petersburg, there is a need for approximately 200 parking spaces during ferry operating hours. There is an abundance of parking facilities proximate to the TCC terminal. These include the public and privately-owned parking facilities in the table below.

Parking Options for Tampa Convention Center Ferry Landing

Facility	Owners	Spaces	Rates
Tampa Convention Center	City of Tampa	465	\$1.60/hr. - \$9.50 max
South Regional Garage	City of Tampa	1000	\$1.60/hr. - \$9.50 max
Ft. Brooke Garage	City of Tampa	2500	\$1.60/hr. - \$9.50 max
Lightning Florida/Water Street Surface Lot	Lightning Properties Limited	> 250	Variable

While there is an abundance of supply, parking capacity can be quite limited, and street congestion is significant on weekend nights when there is an event at Amalie Arena and/or concurrent event at the TCC. Generally speaking, the Ft. Brooke Garage has parking spaces available even during these peak times. HMS has also identified opportunities for remote private sector parking lots at the south end of downtown. These options can be further identified and developed if the need arises. In addition, the availability of high quality transit connections to the TCC terminal during operating hours provides an opportunity for additional remote parking as part of a ferry/transit coordination program.

5.2.7 Links to Transit

The TCC Terminal is directly proximate to the Tampa Streetcar system, which operates during the same operating hours as the St. Petersburg-Tampa weekend ferry service. The Greco Plaza Street car stop is a few minutes' walk from the TCC Ferry Terminal. Service is provided to Channelside and Ybor City. A roundtrip streetcar ticket costs \$5.00 per person. This price is likely to be discounted for ferry passengers. The streetcar system can add capacity, should there be market demand for doing so. The streetcars operate every twenty minutes.

The Tampa Downtown Partnership will also be operating an on-demand Downtowner Shuttle program using six-passenger electric low-speed vehicles. This is a free service that could potentially meet ferry passengers at the TCC and take them to a variety of destinations in the core downtown area. This is an app-based service that would also be advertised on the Project's website. This service would likely be available during all scheduled ferry operating hours.

There are several water taxi companies operating at or near the TCC. These include the Tampa Pirate Water Taxi service, which provides scheduled service during the Pilot Project operating hours. An all-day pass is \$15/adult, \$8 per child. The Pirate Water Taxi operates from its own dock at TCC.

The Tampa Water Taxi Company operates on an on-demand basis and provides both tours and group transportation. It can pick up passengers at the TCC docks.

5.2.8 Ticket Services

A ticket booth or similar facility will be located in vicinity of the vessel, either outside under covered area or inside in the public area. It will consist of a desk on casters, I-Pad, credit card scanner, and a Bluetooth printer for printing tickets. *For more ticketing information please refer to "Ticketing Section," page 23.*

5.3 Apollo Beach Service (Optional)

Hillsborough County requested, as part of the Business and Operations Plan development process, the evaluation of the feasibility of including ferry service within South Hillsborough County. HMS has identified the privately-owned land at 1112 Apollo Beach Blvd., next to Circles Restaurant. A land lease agreement on this property would be needed for the purpose of accommodating a temporary ferry landing, parking lot, and ticket and passenger waiting area. The lease agreement is contingent upon completion of a permitted channel dredging project by August 31, 2016 and satisfaction of all regulatory and funding contingencies.

The Apollo Beach Service option is contingent upon securing all required zoning, building, and environmental and maritime permits from relevant agencies. If a more extensive permitting process is required, it is possible that there would be insufficient time and resources available to mobilize the site to participate in the Pilot Project. Estimated location: $N27^{\circ} 46.827' _W82^{\circ} 25.394'$

Apollo Beach Landing



The box represents the barge location. The vacant lot shown will be used for parking. Also shown is the route that travels through the shallow channel. This is the area that will be dredged to 7.5'.

5.3.1 Barge Modifications

Similar physical modifications are required at Apollo Beach as are for the Vinoy Dock. Modifications include fenders, passenger loading block on-board the barge, and ramp to accommodate passenger loading from the vessel to the barge.

5.3.2 Specifications to manufacturer aluminum loading ramp

Like the Vinoy Basin Landing, a passenger boarding ramp will be built for the Apollo Beach Landing. One boarding ramp will be required to accommodate passenger loading between the barge and the shore. It is possible to incorporate a gantry that could accommodate lowering the boarding ramp to the shore to accommodate loading and unloading, and raise the ramp when not in use. This would eliminate the need for a semi-permanent ramp to shore.

5.3.3 Utilities

Electrical utilities are available at the site. It will be necessary to run conduit and electricity for parking lights and electricity to the ticket booth. No utilities will be available for the ferry.

5.3.4 Upland Facilities – Parking and Passenger Staging

The proposed Apollo Beach Terminal sits on 2.74 acres of vacant commercial property. The property currently has a PD mixed-use zoning that does not currently allow its use as a temporary terminal, staging area, and parking facility for water transit operations. HMS has had a preliminary meeting with Hillsborough County zoning officials who advised that these temporary uses may be approved through the Minor Modification procedure pursuant to the Hillsborough County Land Development Code. *This process takes approximately 45 days and requires notification of adjacent property owners and a public hearing.* The property owner has agreed to provide an authorization for these temporary uses. The site will likely require the following temporary improvements for the proposed use:

- Shell or other stabilizing material for portions of the parking lot
- Car stops such as railroad ties or other materials to define parking area and lanes
- Lighting for parking and boarding area
- Temporary pedestrian pathways from the parking area to the ticketing area and boarding ramps
- 30' and 50' tent for passenger staging area and environmental projection
- Temporary restrooms

5.3.5 Links to transit and related transportation infrastructure

There are no scheduled, existing public or private transit services to this location. Any transit would be limited to private groups that charter a bus or other vehicle to transport passengers to this location. This may well occur in connection with patrons in the Sun City Center area, but this will strictly be organized by 3rd party providers.

5.3.6 Ticketing Service

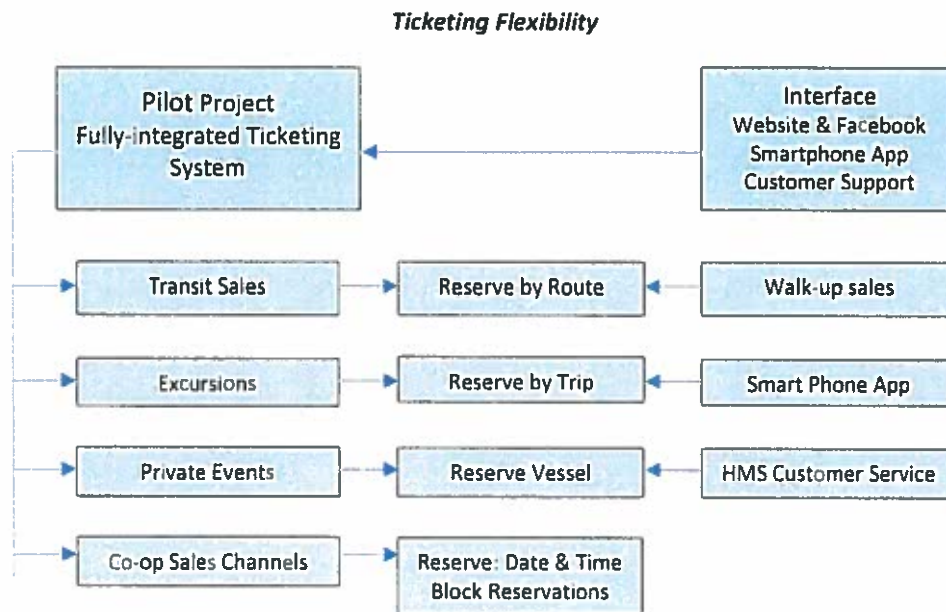
On-line ticketing will be encouraged. Passengers arriving with pre-purchased tickets will have priority boarding. A ticket booth will be supplied to house the ticket agent during normal working hours. Off-hours will be supported by shipboard crew.

5.3.7 Regulatory Issues

The Apollo Beach terminal is located in a Manatee Warm Water Aggregation Area (WWAA) which triggers greater regulatory scrutiny by the ACE. HMS and the City consulted with environmental permitting professionals as part of the development of this plan and met with the ACE. Based upon the input received, it is believed that ACE regulatory approvals could be secured for the proposed improvements at the Apollo Beach terminal, though this will require an unknown period of time to process, and could delay the permitting and mobilization of facilities and service at this location. This will not be known until a formal application is made to the ACE. The proposed budget does include funding for the initiation of ACE permitting activities, which would be the responsibility of a third-party environmental permitting contractor that has experience in handling ACE issues. This site will require a minor modification of its existing PD, a minor work permit and submerged land lease by Port Tampa Bay, and an Environmental Resource Permit from the FDEP.

6 Ticketing System

Key functionality, required when sourcing a ticketing system, is the ability to reserve individual runs by date and time. Additionally, the ticketing system should serve to support the project's marketing and sales program.



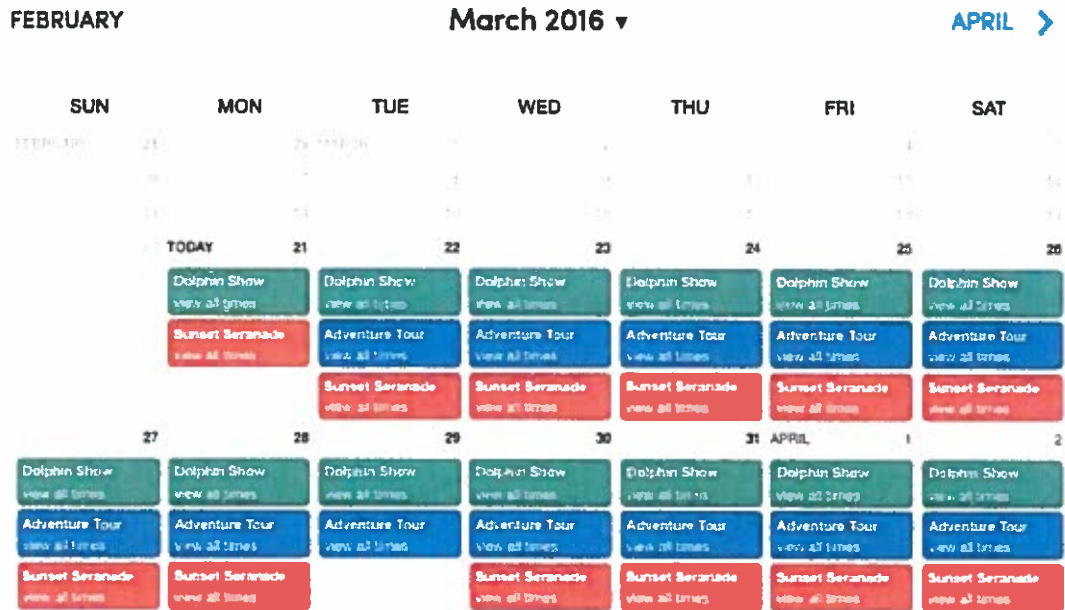
Specialized functionality

- **Design / Customization:** HMS intends to use the Peek Pro⁵ on-line ticketing system. It is among the sleekest and easiest to use reservation systems on the market. It will be customized to the ferry's exact requirements.
- **Channel Sales Tracking:** Track ticket sales and transactions by each sales channel such as each ticket booth or other ticketing stations.
- **Automated Email:** Completely customize automated emails (follow-up, confirmations, reminders, lists co-op marketing participants in the area traveling), help drive more TripAdvisor reviews.
- **Mobile-Optimized:** In addition to the website and Facebook sales functionality, the ticketing system provides smartphone optimization.
- **Mass Emails & Refunds:** Email all parties under a specific reservation at one time (cancellation, bad weather, etc.). Full or customized refunds with just one click
- **Others:** Promo codes, *digital gift card system*, complete customer lists, etc.

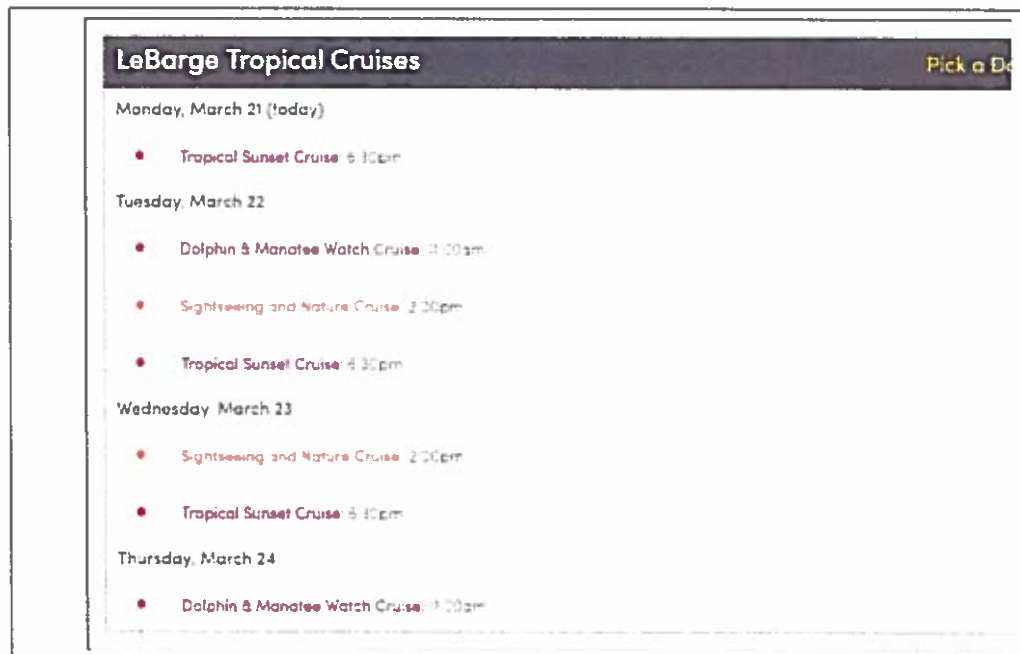
6.1 Sample Ticket System Screens

Below are sample screens used by other ticket system users. They are intended to provide a visual understanding of the types of screens that can be custom developed for the Pilot Project.

View Schedule by Calendar



View Schedule by List



Sample Ticket Reservation by Date

Adventure Tour

1) Select Tickets Reserve All | Find | Plan a Guide

Adult 120.00 each

Children 5 years and under 100.00 each

About This Activity

This is a one-of-a-kind tour up close and personal to Wild Dolphins. 30% of the time they get in the water at the boat to sit on and play. Then we head into the Mangrove Forest through Estuary. To a lagoon where we park. [more](#)

2) Select Date View All Months

MARCH 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

3) Select Time

2:00pm Only 2 tickets left

11:30am Sold Out

Sample Purchase Ticket

Billing & Credit Card Information

Name

Zip Code

Country
United States of America

Email

Phone Number

Credit Card Number

Expiration Date CW
1 - Jan 2016

VISA

Secure Credit Card Payment
This is a 2048-bit SSL encrypted payment

Track by Sales Channel

Marketing > Promo Codes > Hilton Hotel (George) + Add B

Details | [Advanced Rules](#) | [View Redemptions](#)

Name: Hilton Hotel - George

Value: 12 (9) % Fixed Amount Percentage

Redemption Code: REQ11RL

Status: **Active** | [Disabled](#) | [Redeemed](#)

Max Redemptions: **No Limit** | 1 | 2 | 3 | 4 | 5 | Other

Discount applies: Once per ticket

Sample Reports

Reports + Add Booking | Search | Filter

Sales

- Summary
- Activities
- Add-ons
- Activities with Add-ons
- Monthly Sales
- Manifest Based Sales
- Sales by Weekday

7 Marketing & Advertising

7.1 Overall Approach

A well-designed and executed Communication, Public Relations, and Marketing Plan is essential for the success of the Pilot Project.

7.1.1 Marketing Plan Timeline and Elements

The key benchmarks and deadlines for selecting the Marketing Contractor and the anticipated components of the Marketing Plan are as follows:

May 20 th	Request for information from Marketing Stakeholders about qualified firms
June 1st	Completion of scope of request for proposals and issuance of same to identified firms
June 10th	Deadline for Requests for Proposals (RFPs)
June 17th	Selection of 3rd party Marketing Contractor
July 8th	Finalization of Communication, Public Relations, and Marketing Plan
August 1st	Finalization of Pilot Project brand
August 19th	Soft launch of Pilot Project website and co-operative marketing outreach program
September 1st	Initiation of on-line retail ticket sales
October 1st	Pre-operational media and market activities commence as per the Marketing Plan
Week of October 17th	Pre-revenue service promotional and VIP events
November 1	Commencement of revenue service
November-April 2016	Implementation of post-start up public relations and marketing initiatives

These dates will be adjusted as necessary to reflect Pilot Project implementation schedules.

Brand - The Marketing Contractor will be responsible for branding the Pilot Ferry project. HMS has undertaken initial strategic steps to preserve likely URL's. Other options may be explored and developed by the Marketing Contractor.

Website - The Marketing Contractor will be responsible for working closely with HMS to develop a website that has full functionality and integration capabilities with the ticketing system adopted by HMS.

Social Media - The Marketing Contractor will be responsible for developing and implementing a robust social media campaign that integrates with both Market Stakeholders and co-operating marketing partners.

Co-operative Marketing Program - HMS has taken preliminary steps to gauge the market interest in the proposed service and the potential for co-operative marketing programs. As of the date of this Plan, over 50 businesses have indicated that they would likely participate in a co-operative marketing campaign to support the Pilot Project. Under such a program, businesses would offer discounts to ferry passengers and promote the ferry service in exchange for inclusion of such businesses in the marketing program. *A summary of the co-operative marketing survey results is attached Exhibit 6.*

Public Relations and Communication Plan - The Marketing Contractor will be responsible for developing a public relations and communications strategy for the Pilot Project. Part of this may entail a public education component related to water transportation, Tampa Bay Estuary, and water quality issues.

Sponsorship Program - The Marketing Contractor will be asked to evaluate and potentially develop a sponsorship program for the Pilot Project.

8 Route Assessment

8.1 Distances between various port facilities

The following routes have been identified to support scheduled service and excursion routes:

Route	1-Way Travel Time	Distance in NM
St. Petersburg to Tampa	55-minutes	18.13 NM
St. Petersburg to Apollo	40-minutes	11.23 NM
Apollo Beach to Tampa	45-minutes	12.55 NM
Skyway – Apollo Loop	90-minutes	31.07 NM
Skyway Excursion	90-minutes	29.46 NM

8.2 Summary of Routes

All routes operate within the boundaries of Tampa Bay, and are all subject to similar route assessments and conditions. All routes cross shallow open bay waters, and intersect with deep water channels.

Route Distances	11.23 ~ 31.07 nm
Route Description	Crossing open bay waters (average 12-ft) to intersect with major channel (Deep Water Range) connecting St. Petersburg with Downtown Tampa and Apollo Beach.
Speed Restrictions	No wake zone from southern tip of Harbour Island to Platt Street Bridge. During winter months vessel operator needs to be especially careful of manatees. Speed restrictions also in place in the manatee WWAA in and around Apollo Beach.
Weather Routing	Local USCG may shutdown service due to heavy sustained winds or weather conditions. Shallow waters are susceptible to heavy chop occurring rather quickly with NE or SW winds.
Navigational Hazard	Generally only other commercial traffic, including containerships, tug-barge, commercial fishing vessels, and miscellaneous recreational vessels. Depending on lunar cycle and wind direction, semi-diurnal tides can cause lower or higher than regular tides.
Hurricane Prepared	While hurricane and tropical storms are likely from June through November, the Tampa Bay area seems most vulnerable in June and October. During the Pilot Project's months of operations, cold fronts may bring one or two freezes. These fronts may produce showers and strong, gusty winds; gales remain infrequent.

9 Regulatory Issues

This task will identify relevant regulatory issues and comment on potential strategies.

Location	Regulatory Agency	Permit Type	Proposed Deadline	Processing Time Frame	Permit Fees
Apollo Beach	Port of Tampa	Sovereign Submerge Lands Lease	July 11, 2016	45 Days	
Apollo Beach	Port of Tampa	Minor Work Permit	July 1, 2016	45 Days	
Apollo Beach	Hillsborough County	Minor Modification	July 1, 2016	45 Days	
St. Petersburg/ Apollo Beach	DEP	Environmental Resource Permit	June 1, 2016	30 Days	
Apollo Beach	Army Corps of Engineers	TBD by environmental subcontractor	June 15, 2016	Variable	
U.S. Coast Guard	Sector St. Petersburg	Review week of April 18 th	Conduct COI		

10 Proposed Ferry Vessel

Based on the due-diligence / reconnaissance process, it was determined a single, 149-passenger, catamaran ferry will best serve the project objectives within cost constraints.

A market scan was conducted and the *Provincetown IV* was identified to be potential available for the projects. She is a U.S.-built, U.S. Coast Guard certified vessel, inspected under the requirements of 46 CFR, Sub-Chapter T (Small Passenger Vessels). She is currently located in the U.S. Northeast.

10.1 Vessel Description



Year Built:	2013, Gladding Hearn Shipyard
Length:	98'
Beam:	33'
Draft:	7'
Propulsion:	Propellers
Speed:	27 knots cruise, 29 knots top speed
Fuel Consumption:	140 gph at 29 knots
Engines:	MTU 162000 M72
Horsepower:	2 x 1,950 hp
Electrical Service:	Two Onan 30kw generators
Seating:	108 interior, 100 exterior
Passenger Capacity:	149 (USCG Sub-Chapter T regulations)
Additional Features:	Full Galley/Bar, Luggage Racks, MDI Ride Control,

Bicycle Racks



Interior and Exterior Seating



Food & Beverage Bar



10.2 Vessel Maintenance

10.2.1 Preventative Shore-side Support

Time will be scheduled to insure that sufficient time is available for preventative maintenance. The ship's Master is responsible for maintaining the vessel and the General Manager is responsible for scheduling. Maintenance will include shore-side, fueling, main engine, and auxiliaries servicing. While a 3rd party contractor is budgeted for weekly interior cleaning, the ship's crew will conduct routine cleaning and exterior cleaning of the vessel.

10.3 Crew Manning

The ship's crew consists of USCG licensed and unlicensed crew:

10.3.1 Licensed Crew

The ship's Master is a USCG licensed crew. The vessel is staffed with two rotating crew, scheduled 6-weeks on duty and 2-weeks off-duty. Two additional crew will be hired locally.

10.3.2 Deckhands

While HMS crew are trained deckhands and must complete rigid qualifications, USCG licensing is not required. Depending on local availability of crew, they may be local or rotating personnel.

10.3.3 Food and Beverage

The ferry vessel has the facilities to provide limited food and beverage service during ferry trips. A procurement process will be conducted to select two or three qualified concessionaires to provide wine, beer, soft drinks, and limited food service on board the ferry vessel. Each concession period would be exclusive to one vendor, and would include the opportunity to provide services during special events, charters, and scheduled service. Procuring experienced caterers will simplify project mobilization, and eliminate issues related to securing alcoholic beverage permits, cash management, and financial accounting. The Pilot Project could possibly receive a negotiated percentage of the sales revenue.

11 Budget

The budget for the Tampa Bay Pilot Project consists of three main areas, and is attached to this report at *Exhibit 7*.

11.1 HMS Fixed

The HMS Fixed costs budget include:

- Ferry vessel charter and crew, including routine maintenance and insurance
- Program management and administration, including office expenses and general liability included
- HMS management fee, including corporate overhead and profit

Subject to the final terms and conditions of the Management and Operations Agreement, HMS Ferries intends to provide a fixed quote for these aspects of the Pilot Project.

11.2 Allowance

These are costs that may never be included, and therefore should not be included in the fixed price. However, if these items are expended, HMS will require reimbursement.

- Vessel and/or terminal insurance deductibles
- Major mechanical repair items (not provided as routine maintenance under the charter agreement with the vessel owners)

11.3 Client Costs

Actually all the costs associated with the Pilot Project are "Client Costs" (the responsibility of the City).

However, HMS can "fix" the vessel and administrative costs and propose reasonable "allowance" costs.

"Client Costs" are those that HMS has researched and estimated and can facilitate for the client. They include:

- Fuel
- Terminals
- Insurance
- Marketing
- Contingency

Client Costs are not fixed and represent the best available information at this time. Client Costs will not be exceeded without prior written approval by the City.

If HMS procures Client Costs items (on behalf of the City), a handling fee of 5% will be added to the total amount.

It should be noted that a contingency of \$100,000 is included in the Client Cost estimates.

Exhibits

Table of Exhibits

1. Sample Ferry Schedule (2.5.1)
2. Revenue Matrix (2.5.2)
3. Sample Barge Specifications (5.1.1)
4. Sample Ramp Specifications (5.1.4)
5. Drawing of Vessel Docked at Convention Center (5.2.2)
6. Summary of Co-op Marketing Survey (7.1.1)
7. St Petersburg Ferry Pilot Project Budget (11)

Conceptual Schedule Subject to Market and Operational Requirements	Depart Tampa	Depart St. Petersburg
Weekend Schedule		
Friday		
	6:30	5:15
	10:15	9:00
		11:30
Saturday		
	3:00	5:15
	6:30	9:00
	10:15	11:30
Sunday		
	12:00	3:30
	5:00	6:00
	7:00	7:30

	Depart St. Petersburg	Depart Apollo	Depart Tampa
Monday-Thursday Commuter (Times are for Alternative city runs)	7:00	7:15	5:15
M-H Apollo Weeknight	8:45	5:30	
April Sports Month			
Lightning Playoffs Games	5:30		10:00
Rays Games (Depart TPA or Apollo options, not both for same game)	9:45	5:45	5:30

Revenue Estimation Inputs

Based On Concept Schedule

Service Option	Max One Ways	Max Periods	Period Unit	Max PAX/Trip	Max Ticket Sales	Unit
Weekend	17	23	Weekends	145	56695	One Way
Commuter		14	Weeks	145	2030	Weekly Pass
Apollo Weeknight/Sports Month	8	12	Weeks	145	13920	One Way

Revenue Matrix

Weekend Service	Max Tickets	Pax	Ticket Price	Max PAX/Trip	Max Ticket Sales	Unit	Net Concession/Pax
% Sales			\$ 5.00	\$ 7.50	\$ 10.00	\$ 12.50	\$ 1.00
25%	56695	14174	\$70,869	\$106,303	\$141,738	\$177,172	\$14,174
50%	56695	28348	\$141,738	\$212,606	\$283,475	\$354,344	\$28,348
75%	56695	42521.25	\$212,606	\$318,909	\$425,213	\$531,516	\$42,521
							\$85,043
							\$127,564

Commuter

	Max Weekly Pass Sales	Ticket Price
% Sales		
25%	507.5	\$30
50%	1015	\$3,806
75%	1522.5	\$5,075
		\$20,300
		\$45,675

Apollo Beach Weeknights

	Max Tickets	Pax	Ticket Price	Max PAX/Trip	Max Ticket Sales	Unit	Net Concession/Pax
% Sales			\$ 5.00	\$ 7.50	\$ 10.00	\$ 12.50	\$ 1.00
25%	13920	3480	\$17,400	\$26,100	\$34,800	\$43,500	\$3,480
50%	13920	6960	\$34,800	\$52,200	\$69,600	\$87,000	\$6,960
75%	13920	10440	\$52,200	\$78,300	\$104,400	\$130,500	\$10,440
							\$20,880
							\$31,320

Potential Miscellaneous Revenue

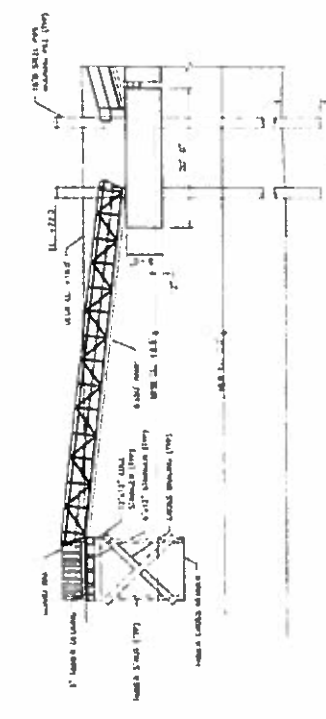
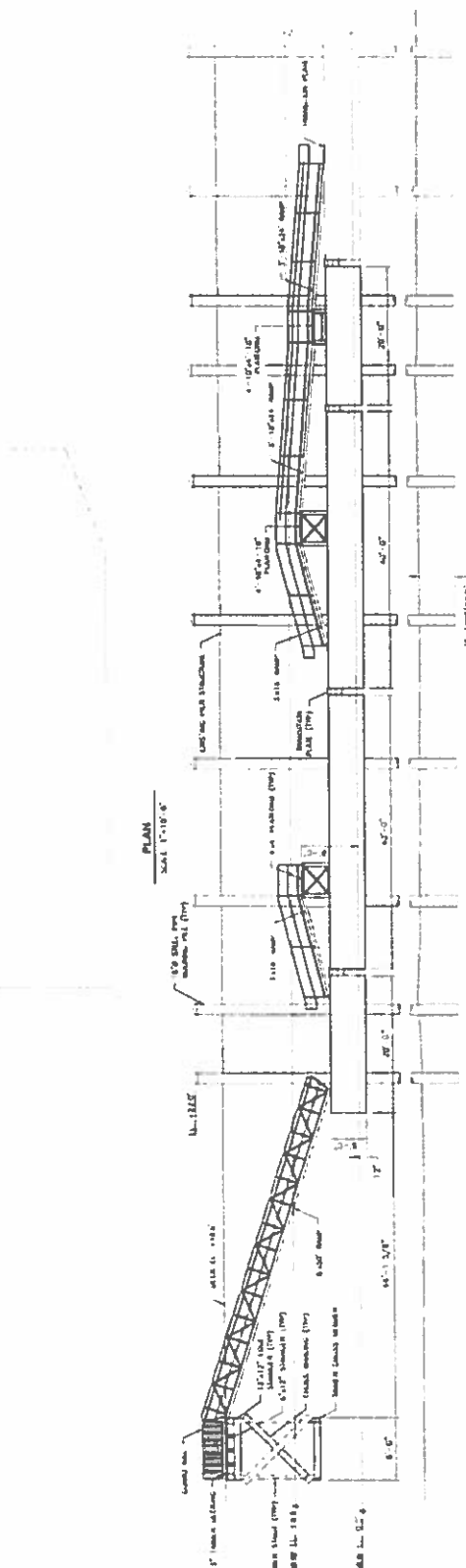
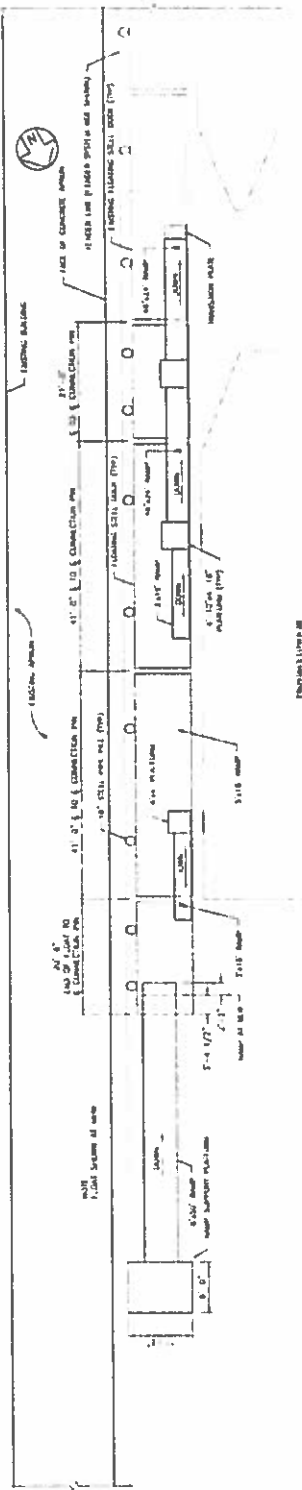
Generators	Number	Pax	Ticket/Pax	Revenue
Special Occasions (New Years Eve/Garparilla)	2	100	\$100	\$ 20,000
Excursions	10	100	\$25	\$ 25,000
Sponsorships				\$ 100,000
Total				\$ 145,000

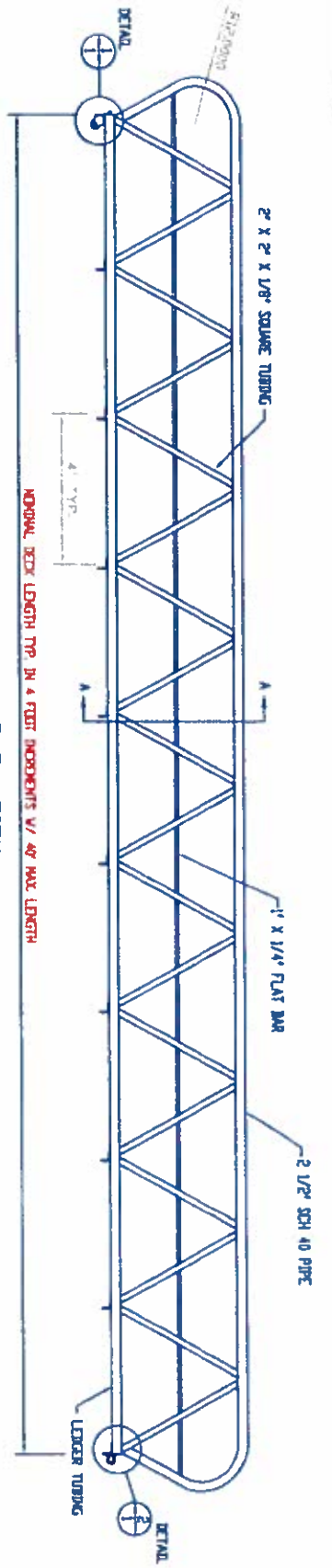
NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	10/24/08
2	REVISION	
3	REVISION	
4	REVISION	
5	REVISION	
6	REVISION	
7	REVISION	
8	REVISION	
9	REVISION	
10	REVISION	

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	10/24/08
2	REVISION	
3	REVISION	
4	REVISION	
5	REVISION	
6	REVISION	
7	REVISION	
8	REVISION	
9	REVISION	
10	REVISION	

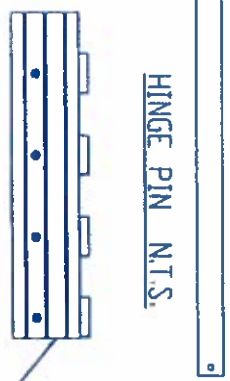
PROJECT: ALTIMA BOOK
 1000 10th Ave
 NEW YORK, NY 10018
 DATE: 10/24/08
 DRAWING NO.: 10-01
 PROJECT ELEVATION AND DETAILS

10-01
 SCALE: 1/4" = 1'-0"
 SCALE: 1/8" = 1'-0"

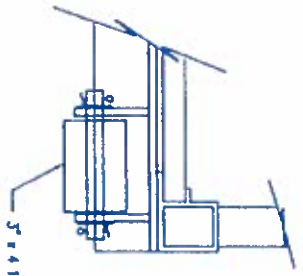
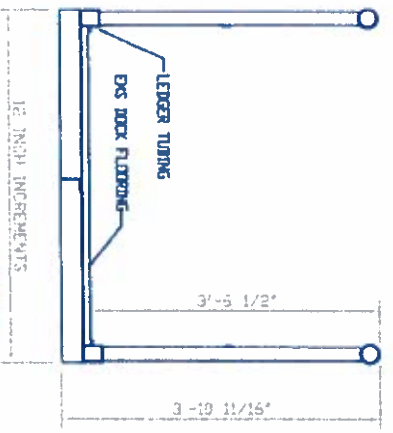
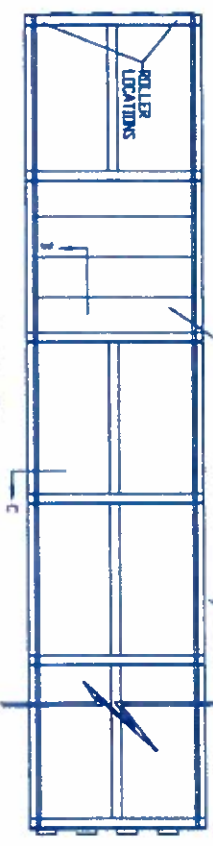




SIDE ELEVATION

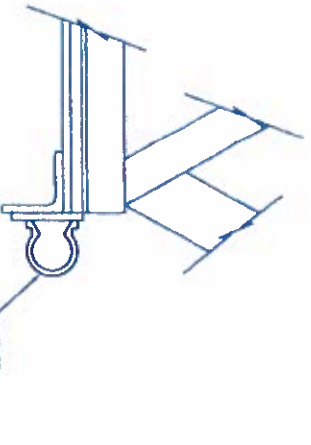


5' x 1/2" x 3/8" ANGLE WITH NON-SKID RIDES



NOTE: ROLLERS ARE @ 2 LOCATIONS ON RAMP DOG.

DETAIL 1
N.T.S.

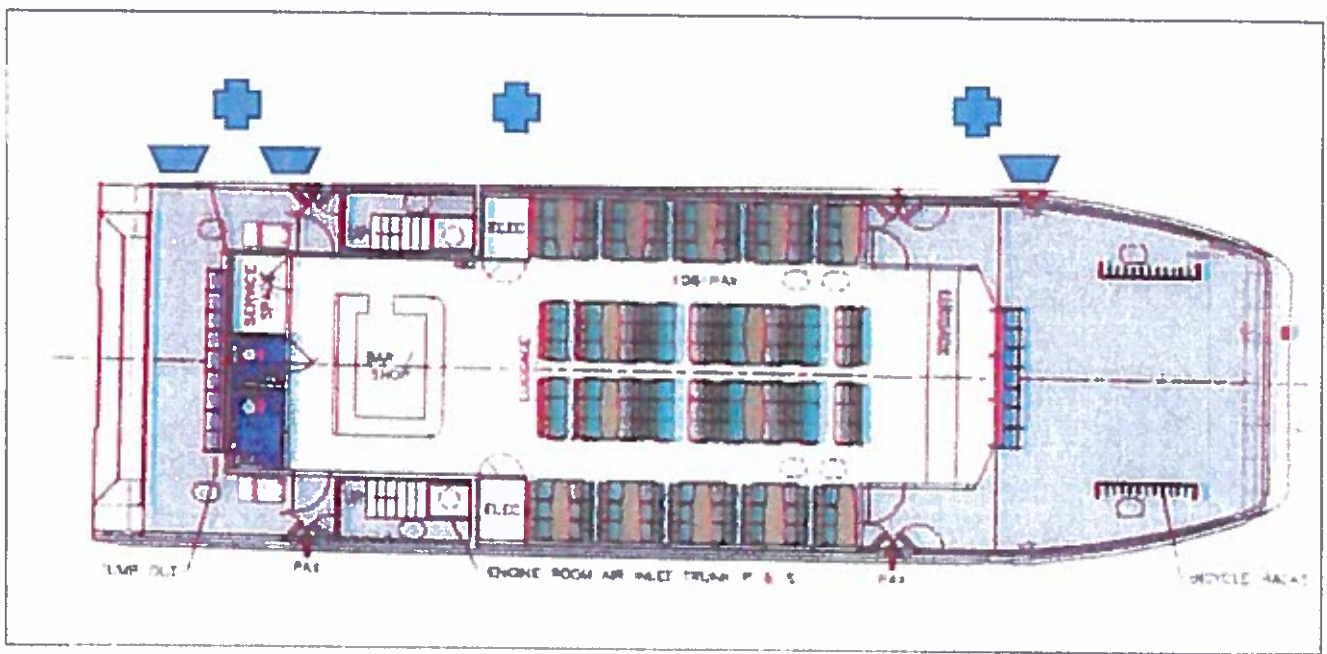


DETAIL 2
N.T.S.

PC. NR.	DESCRIPTION	QTY.
DATE	JOB NO.	

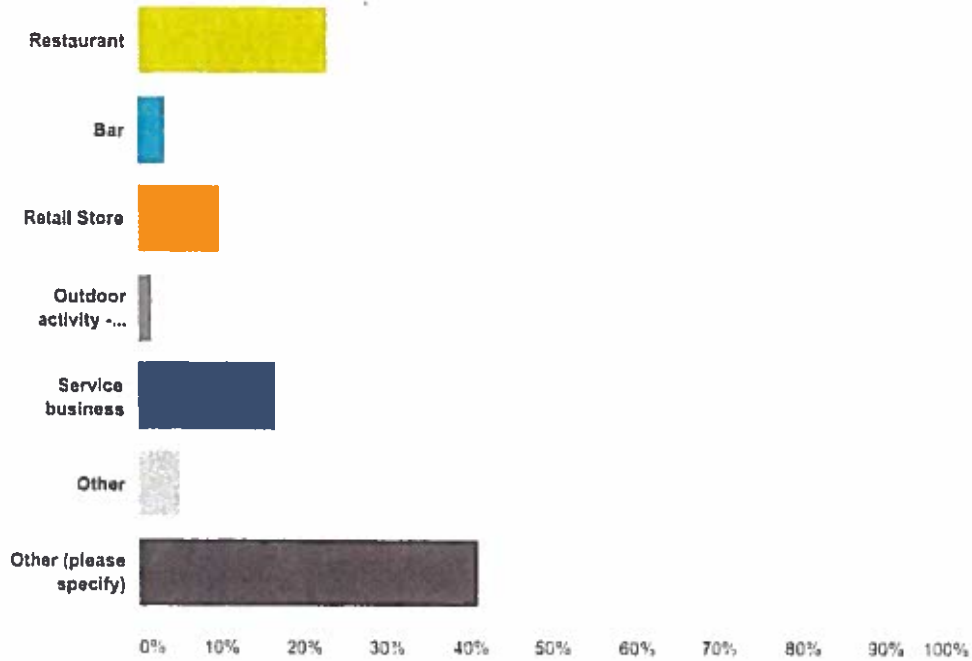
Exhibit – 5.2.2

Ferry Docked at Tampa Bay Convention Center Seawall



Q1 Please identify the nature of your business

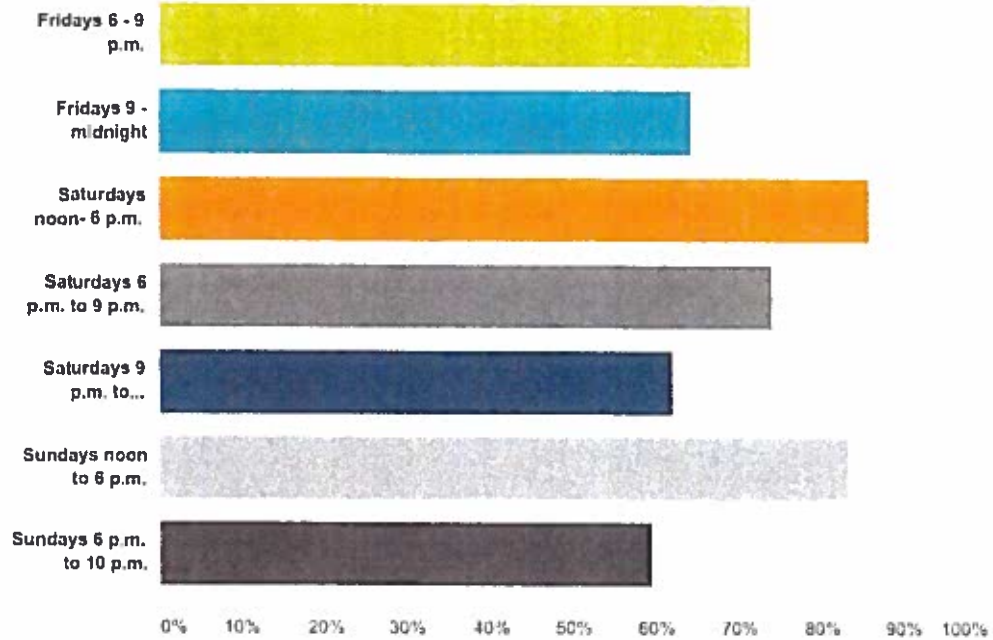
Answers: 51 (Skip: 0)



Answer Choices	Responses	Count
Restaurant	22.95%	14
Bar	3.28%	2
Retail Store	9.84%	6
Outdoor activity - bike, boat, kayak vendor	1.64%	1
Service business	16.39%	10
Other	4.92%	3
Other (please specify)	40.98%	25
Total		61

Q2 Please indicate the hours that your business is open.

Answered: 42 Skipped: 13



Answer Choices

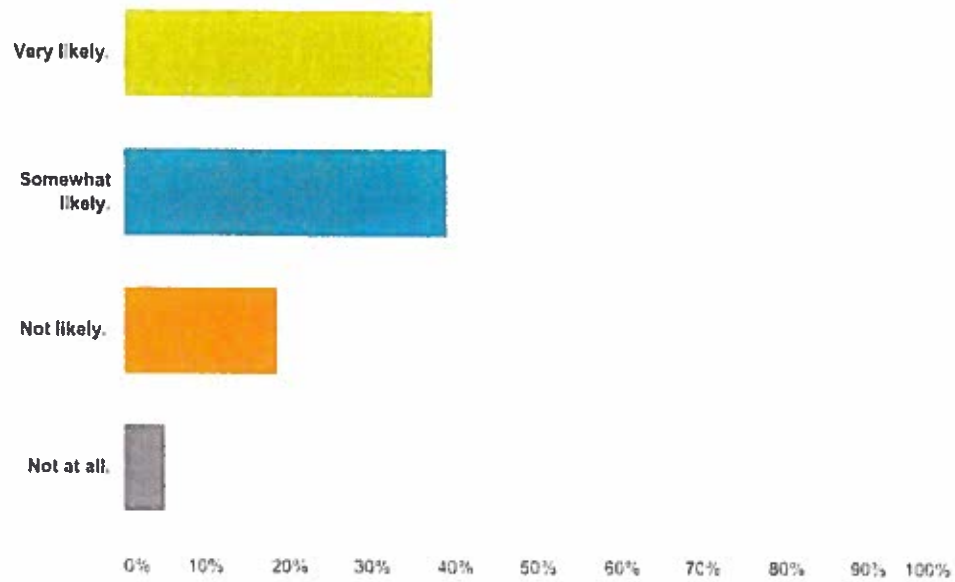
Responses

Fridays 6 - 9 p.m.	71.43%	30
Fridays 9 - midnight	64.29%	27
Saturdays noon- 6 p.m.	85.71%	36
Saturdays 6 p.m. to 9 p.m.	73.81%	31
Saturdays 9 p.m. to midnight	61.90%	26
Sundays noon to 6 p.m.	83.33%	35
Sundays 6 p.m. to 10 p.m.	59.52%	25

Total Respondents: 42

Q3 How likely would you be to provide a discount to ferry passengers who patronize your business?

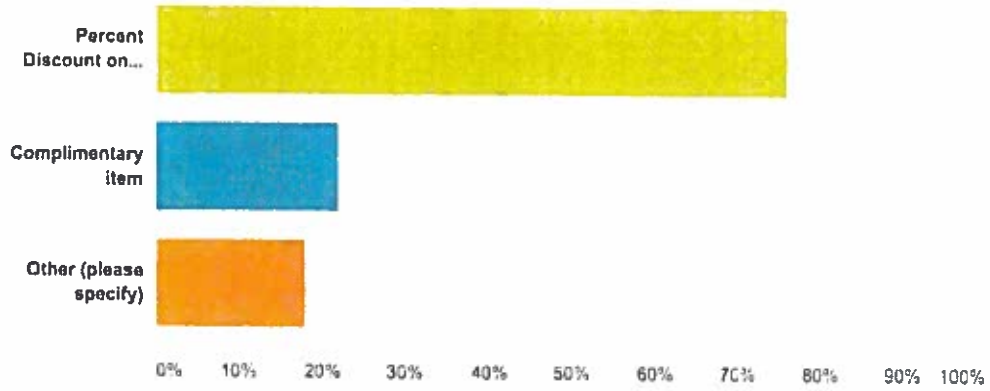
Answered: 59 | Skipped: 0



Answer Choices	Responses	
Very likely	37.29%	22
Somewhat likely	38.98%	23
Not likely	18.64%	11
Not at all	5.08%	3
Total		59

Q4 What type of discount might you provide?

Answered: 50 Skipped: 11



Answer Choices

Percent Discount on product

Complimentary item

Other (please specify)

Responses

76.00%

22.00%

18.00%

38

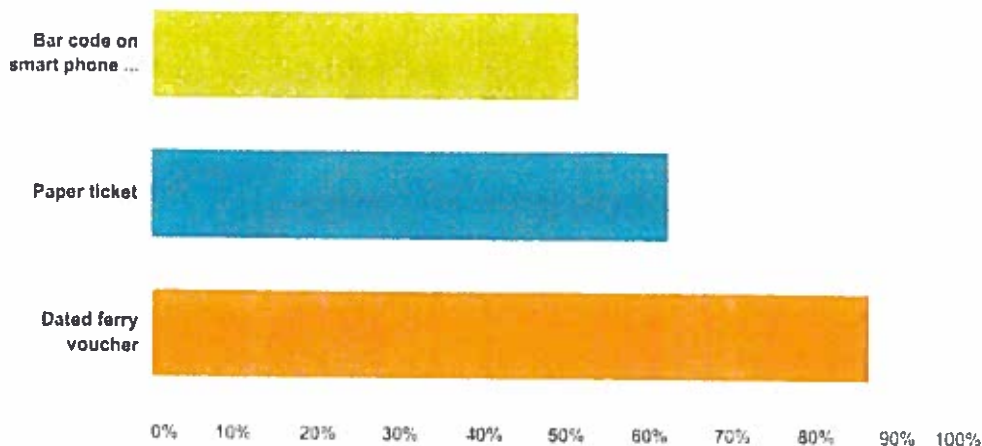
11

9

Total Respondents: 50

Q5 Check the options that you would accept for proof of eligibility for a discount (you can check more than one)?

Answered: 37 Skipped: 21



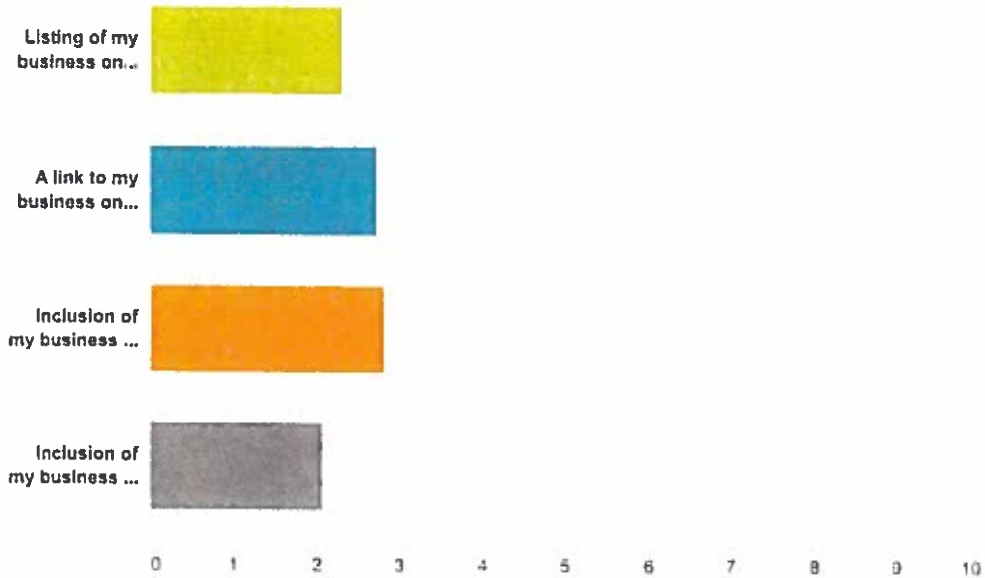
Answer Choices

Responses

Bar code on smart phone or device	51.35%	19
Paper ticket	62.16%	23
Dated ferry voucher	86.49%	32
Total Respondents: 37		

Q6 Please rate the degree of importance of the following marketing mechanisms to your decision to participate in a co-op marketing program?

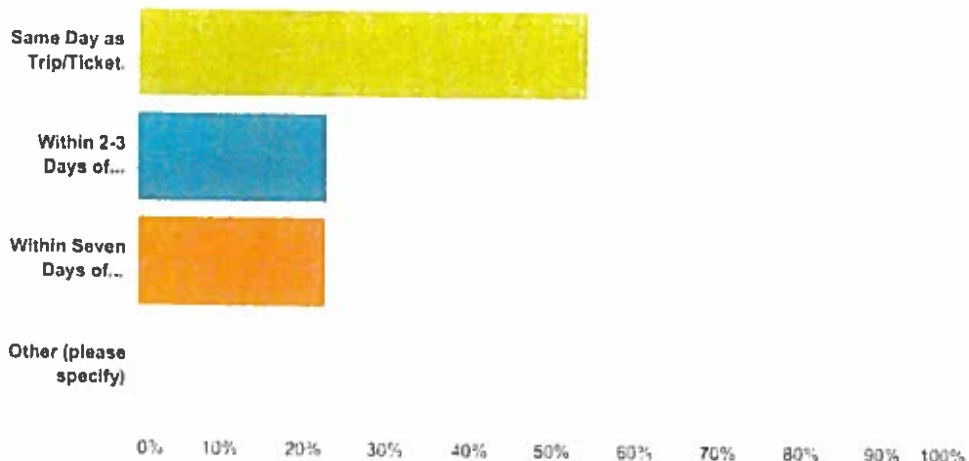
Answered: 19 Skipped: 0



	1	2	3	4	Total	Score
Listing of my business on a ferry webpage as a participating co-op partner of the ferry project	8.00%	36.00%	36.00%	20.00%	25	2.32
A link to my business on the ferry webpage as a participating co-op partner of the ferry project	27.59%	31.03%	27.59%	13.79%	29	2.72
Inclusion of my business on a ferry "city" map as a participating co-op partner	48.15%	11.11%	14.81%	25.93%	27	2.61
Inclusion of my business on the electronic receipt of ferry passengers	18.18%	18.18%	15.15%	48.48%	33	2.06

Q7 Over What Period of Time Would You Be Willing to Honor the Ferry Passenger Discount

Answered: 35 Skipped: 0



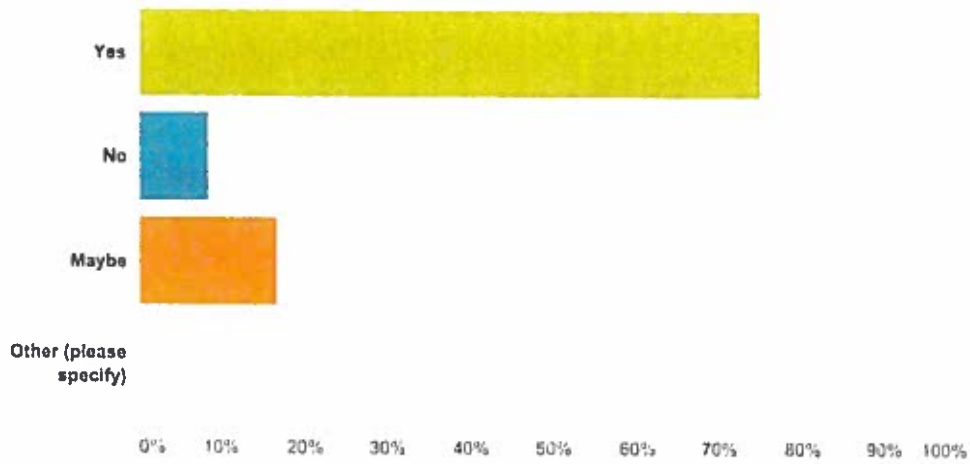
Answer Choices

Responses

Same Day as Trip/Ticket	54.29%	19
Within 2-3 Days of Trip/Ticket	22.86%	8
Within Seven Days of Trip/Ticket	22.86%	8
Other (please specify)	0.00%	0
Total		35

Q8 Would you be willing to provide a ferry brochure or provide other ferry promotional materials to your patrons as part of this co-op program?

Answered: 36 Skipped: 0



Answer Choices	Responses	
Yes	75.00%	27
No	8.33%	3
Maybe	16.67%	6
Other (please specify)	0.00%	0
Total		36

Q9 Please provide any other comments, suggestions or questions you have.

Answered: 5 Skipped: 56

Q10 Please provide the name and best contact information for your business so we can keep you abreast of the pilot program and updated on the co-op marketing program.

Answered: 31 Skipped: 0

Answer Choices	Responses	
Name	100.00%	31
Company	100.00%	31
Address	100.00%	31
Address 2	3.23%	1
City/Town	96.77%	30
State/Province	96.77%	30
ZIP/Postal Code	96.77%	30
Ccountry	80.65%	25
Email Address	93.55%	29
Phone Number	87.10%	27

St Pete - Tampa Ferry Pilot Project

Project Cost Summary

As of: 5/2/16

HMS FIXED			
Vessel Ops	568,607		568,607
Operational Management and Admin	291,069		291,069
HMS Fee (Overhead and Profit)	115,000		115,000
Sub-Total	974,676		974,676
* ALLOWANCE		Handling 0.05	
Insurance Deductible	25,000	1,250	26,250
Major Repair	30,000	1,500	31,500
Sub-Total	55,000	1,500	57,750
CLIENT COSTS		Handling 0.05	
Fuel (vessel)	319,200	15,960	335,160
Terminals	357,064	17,853	374,918
Insurance (estimate only)	23,081	1,154	24,235
Marketing	75,000	3,750	78,750
Contingency (to be determined by client)	100,000	5,000	105,000
Sub-Total	874,345	43,717	918,062
TOTAL PROJECT COSTS	1,904,021	45,217	1,950,488

St Pete - Tampa Ferry Pilot Project Terminal Costs / Expenses - Client

Item	Unit	Qty	Extended
St Petersburg Terminal			
St Pete Barge (20'x80')	8,127	7.00	56,889
St Pete Barge Transport			8,127
St Pete Barge Setup			15,000
Fueling and Black Water Hoses			10,000
St Pete Upland Development & Engineering			50,000
St Pete Fenders			3,000
St Pete Tent	1,143	7.00	8,000
St Pete Permits			3,500
St Pete Ramps (2-30')	4,400	2.00	8,800
Ticket Booth	7,500	1.00	7,500
Sub-Total			170,816
Apollo Terminal			
Apollo Barge (10x80)	4,063	7.00	28,443
Apollo Barge Transport			4,800
Barge Setup			15,000
Apollo Property	1,143	7.00	8,000
Apollo Tent	1,143	7.00	8,000
Apollo Tent Flooring	1,200	1.25	1,500
Apollo Fender Modifications			3,000
Apollo Fencing			1,100
Apollo Permits			25,000
Apollo Minor Modification Permits			2,500
Apollo Parking Car Stops			1,950
Apollo Shell Drive Entrance and Sidewalk	2,340	1.25	2,925
Apollo Electrical & Lightning			16,000
Apollo Ramps (2-30')	4,400	2.00	8,800
Apollo Porta-Potty	138	6.00	830
Dredging (TBD)			
Sub-Total			127,848
Tampa Terminal			
Tampa Moorage Fees	100	159.00	15,900
Seawall Fender Systems			5,000
Vessel to Seawall Ramps (2-6')	3,000	2.00	6,000
Ticket Kiosk	1,500	1.00	2,500
			29,400
Landside Project Management			25,000
Legal - Contracts & Procurements			4,000
Total			357,064

Business and Operations Plan

Tampa Bay Ferry Pilot Project

Addendum

May 12, 2016

BACKGROUND

This is an addendum to the Business and Operations Plan submitted to the City of St. Petersburg on May 3, 2016.

On November 30, 2015, the City of St. Petersburg (the City), issued a solicitation for proposals, RQU No. 7942 for a ferry demonstration project intended to determine the necessity and financial viability of a regular Tampa Bay ferry service.

In addition to requesting information on the respondent's qualifications, the City asked for an overview of the proposed ferry pilot project operations with costs.

HMS Ferries, Inc. (HMS) responded to RQU No. 7942 and proposed the project be implemented in two phases: Phase 1 – Business & Operations Plan development and, 2) Implementation of Ferry Service – as defined in the Phase 1 Business & Operations Plan.

This approach was intended to ensure a clear definition of the scope of services, along with the development of associated costs. Also, it would provide an "off ramp" if the logic of the project could not be substantiated.

Accordingly, HMS provided the following price elements in its response to RQU No. 7942.

Phase 1 (Plan) – Firm Fixed Price: \$49,000

Phase 2 (Operations) – Conceptual Estimate (subject to the findings of the B&O Plan): \$1,341, 925

The Phase 2 estimate stipulated clear exclusions of items and functionality not included as part of HMS's response. The following are examples of some of the disclaimers and exclusions:

"All costs are estimates. Final costs will be determined in connection with the Business and Operations Plans."

Marketing and Advertising. "Cost estimates do not include marketing and advertising, catering cost of special events, etc., and "St. Petersburg and/or other regional stakeholders are responsible for all marketing and advertising associated with the pilot project."

Infrastructure Modifications. "It does not include having boarding ramps manufactured, tents or canvas work for passenger environmental protection..." and "Permits, stairs, boarding ramps and gantry are not included in the proposed budget costs, and are expected to be provided by the City. Additionally, environmental protection from sun and rain may also be required."

Further, the proposal stated:

"Each city would need to approve locations for the proposed facilities. We anticipate that only modest landside improvements might be necessary to accommodate passenger loading/unloading, ticketing and logistics in the City of Tampa location. Significant infrastructure modifications will be required at the St Petersburg location. "

"HMS will work with each City to plan and develop the land-side improvements necessary to support service at these locations. We believe that any landside modifications or improvements will best be undertaken by each jurisdiction through use of existing contractors and vendors. The total costs of such improvements are not included in our initial budget, but will be established and defined in detail as part of the Phase 1 Business & Operations Development project. "

Business & Operations (complete) Plan - \$1,950,488

After awarding HMS a Consulting Services Agreement to complete Phase 1 (as described in its response to RQU No. 7942), the City St. Petersburg requested HMS include the "outside-of-scope" (exclusions) services items in its work Plan. This required HMS to include items in the Phase 1 – Business & Operations Plan that were designated the City's responsibility under the original response. This included consideration of landside and ramp development, marketing activities, onboard concession services, as well as the possible development of an Apollo Beach terminal facilities. Also, the City requested that commuter service – not originally included in the HMS response – also be described in the Phase 1 plan.

On May 3, 2016, HMS submitted the Business & Operations Plan called for under the Consulting Services Agreement, plus the additional items requested by the City. The estimated costs of the fully-integrated plan - serving St. Petersburg, Tampa and Apollo Beach - that addressed all items was calculated to be \$1,950,488. This included various contingency budget items such as \$30,000 for major mechanical failure, \$25,000 for insurance deductible, and \$100,000 for other shore side and general contingencies.

The City Requests a Revised Budget (removing contingencies and other features) - \$1,404,794

After the City reviewed the Business & Operations Plan submitted by HMS on May 3rd, the City requested revisions to the Plan to achieve a total project budget estimate of \$1.4 million. By necessity, this resulted in the elimination of key items that were in the May 3rd Plan.

Key Service Elements

Here is a list of key service elements for a possible Plan revision that could achieve budget reductions – working toward the City's goal of \$1.4 million:

- 23 weekends of scheduled Friday-Sunday transit service between downtown St. Petersburg and downtown Tampa, with two round-trips scheduled for each day.
- 6 weeks of Monday-Thursday commuter service between downtown St. Petersburg and downtown Tampa consisting of a single daily round-trip.
- Approximately 20 weeks of Monday-Thursday weeknight excursion service, and three weekends of excursion service (during weekends when Tampa service is not possible) offered out of St. Petersburg, on a market demand basis.
- Charter and special event service offered out of St. Petersburg on a market demand basis when not in conflict with scheduled transit service.

NOT AN OFFER TO PROVIDE SERVICES

These potential revisions seek to maximize service ridership and revenue potential while reducing incremental operating costs.

Possible Deductions

Working toward the budget reductions requested by the City, HMS considered the following possible reductions from the May 3rd Plan:

- Friday-Sunday transit service is reduced to two daily round-trips, reducing fuel costs.
- Reduction of Monday-Thursday commuter service to a 6-week period and operating only between St. Petersburg and Tampa (dropping Apollo Beach), operating from mid-January to the end of February 2017. One single-round trip.
- Twice weekly "mid-week" excursion trips based out of St. Petersburg operated on a market-demand basis.
Note: The Tampa Convention Center site is not available for such service due to license agreement restrictions.
- Elimination of Apollo Beach marine terminal and landside facilities.
- Elimination of City of Tampa mooring fees.
Note: Subject to agreement by the City of Tampa.
- City of St. Petersburg landside improvements reduced by \$12,500.

Table of Possible Deductions

Business & Operations Plan (May 3rd)	\$1,950,488
Itemized Deductions	
Fuel reduction (based on fuel rate of \$2/ gal)	200,508
St. Petersburg Upland parts & labor reduction	12,500
Apollo Landing removed	127,848
Tampa Convention Center Mooring Fee eliminated	15,900
Land-side Project Management eliminated	12,500
Legal/permits for Apollo property eliminated	4,000
Administrative and handling fee	17,438
Allowances	
- Insurance Deductible	25,000
- Major Repairs	30,000
Contingency	100,000
Total After Deductions	\$1,404,794

Supporting Detail

Budget Revisions - Exhibit A.

Modified Schedule - Exhibit B.

Exhibit A – Budget Deductions

St Pete - Tampa Ferry Pilot Project
Revised Project Cost Summary

As of: May 11, 2016

HMS FIXED			REVISED DEDUCTIONS	
Vessel Ops	568,607		568,607	
Operational Management and Admin	291,069		291,069	
HMS Fee (Overhead and Profit)	115,000		115,000	
Sub-Total	974,676		974,676	0
* ALLOWANCE		Handling		
		0.05		
Insurance Deductible	25,000	1,250	26,250	26,250
Major Repair	30,000	1,500	31,500	31,500
Sub-Total	55,000	1,500	57,750	57,750
CLIENT COSTS		Handling		
		0.05		
Fuel (vessel)	319,200	15,960	335,160	200,508
Terminals	357,064	17,853	374,918	182,436
Insurance (estimate only)	23,081	1,154	24,235	
Marketing	75,000	3,750	78,750	
Contingency (to be determined by client)	100,000	5,000	105,000	105,000
Sub-Total	874,345	43,717	918,062	487,944

Exhibit B – Addendum Schedule

Conceptual Schedule Subject to Market and Operational Requirements	Depart Tampa	Trips	Depart St. Petersburg
Weekend Schedule			
Friday		1	5:10
	6:20	2	9:10
	10:20	1	
Saturday		1	5:10
	6:20	2	9:10
	10:20	1	
Sunday		1	11:00
	12:00	2	4:00
	6:00	1	
		12	

	Depart St. Petersburg	Depart Tampa
Monday-Thursday Commuter	7:00	5:15
Jan 16th - Feb. 24th contingent upon subscription		
Monday-Thursday Excursion (Non commuter weeks)	45 minutes prior to Sunset	90 -120 minutes
April Sports Month (optional)		
Lightning Playoffs Games	5:30	10:00
Rays Games (Depart TPA or Apollo options, not both for same game)	4:30	5:30
	9:45	10:45

Business and Operations Plan

Tampa Bay Ferry Pilot Project

2nd Addendum

June 8, 2016

BACKGROUND

This is the second addendum to the Business and Operations Plan submitted to the City of St. Petersburg on May 3, 2016.

The first addendum was provided on May 12, 2016 and focused on how the project could be delivered for an estimated cost not to exceed \$1,400,000.

This second addendum focuses on the project objectives and how the pilot service can be implemented.

MISSION

The objectives of the Tampa Bay Ferry Pilot Project (Pilot Service) are to:

- Introduce progressive transportation technology to the Tampa Bay region
- Evaluate potential demand for a long-term / sustained transit-based ferry service that connects key population centers on Tampa Bay
- Identify various user (rider) groups / segments
- Consider how long-term / sustained ferry service can be integrated into the regional transportation network
- Evaluate the operational, logistical and regulatory issues related to the service
- Evaluate consumer preferences
- Evaluate revenue potential
- Identify the ideal type and size of vessel(s) for long-term / sustained service
- Consider various options for planning, management, operation and governance of a long-term / sustained service
- Identify long-term / sustainable funding sources and mechanisms
- Evaluate pricing and the elasticity of demand
- Identify and consider stakeholder issues

ROUTE

The Pilot Service will operate on Tampa Bay between the cities of St Petersburg and Tampa.

An Apollo Beach terminal was studied in the Business and Operations Plan but was determined not to be feasible for this Pilot Service due to regulatory and cost issues. This location can be reconsidered at a later time and contingent upon the findings of the Pilot Service.

PLANNED APPROACH

The participating governments will work with an established ferry service operator (Operator) to implement the project during a 6-month operating period commencing November 1, 2016 and ending April 30, 2017.

Based on the risk the Operator will be asked to assume, the project will generally be viewed as a Public-Private Partnership.

The specific terms and conditions of the relationship will be covered in an Operating Agreement, but will generally include:

1. The City of St. Petersburg will be the lead agency and function as the Public Representative.
2. The Operator will provide a turnkey Pilot Service, except for permitting and upland improvements – which will be provided by the Public Representative.
3. The Operator will receive a fixed price of \$1.4 million to provide the Pilot Service.
4. Also, the Operator shall retain the first \$125,000 of the ticketing, advertising and sponsorship revenue to cover the balance of its project expenses. Any additional revenue from these sources shall go to the City of St. Petersburg for distribution to the other participating governments.
5. The Operator will assume the risk of generating the additional \$125,000 in revenue to cover all its project costs.
6. The Pilot Service will consist of a minimum of two (2) round trips between the two cities on M, T, W, Thurs, Sat, and Sun. and up to three (3) trips on Friday - subject to crew and scheduling logistics.
7. The fares charged for the service will be established by mutual agreement between the Operator and the Public Representative.
8. The City of St. Petersburg is responsible for upland development and engineering costs (estimated to not exceed \$50,000) associated with upland terminal preparation for the Pilot Service. The City of St Petersburg shall apply to the Corp of Engineers for approval of the dock and terminal facilities in St Petersburg. If this cannot be accomplished, the Public will have an opt-out clause.

OTHER AGENCIES

The Public-Private project team will work closely with Hillsborough County, Pinellas County and the City of Tampa in developing and implementing the Pilot Ferry project. It will also interface with the Florida Department of Transportation and Federal Transit Administration regarding opportunity to establish the service on a long-term basis.

SCHEDULE

The operating schedule is the foundation of the Pilot Service and associated costs. Safe, reliable and efficient transit service is a key focus of the project, therefore the proposed operating schedule was optimized to provide service seven (7) days a week.

Midweek the service emphasizes commuter transit activities; while on the weekends the service emphasizes discretionary (recreation, tourism, sports and entertainment) transit activities. The schedule was optimized based on available funding and is therefore limited in its hours and scope.

The final schedule details will be defined in the Operating Agreement, but will generally reflect the schedule below.

Table 1 - Schedule

Conceptual Schedule Subject to Market and Operational Requirements	Depart St. Pete	Trips	Depart Tampa
Weekday Schedule (Monday-Thursday)			
	7:00 AM	2	10:00 AM
	3:00 PM	2	5:15 PM
Friday	7:00 AM	2	4:00 PM
	5:15 PM	2	6:30 PM
	9:15 PM	2	10:30 PM
Saturday	5:15 PM	2	6:30 PM
	9:15 PM	2	10:30 PM
Sunday	11:00 AM	2	12:15 PM
	5:30 PM	2	6:45 PM

April Sports Month (optional weekday service)			
Lightning Playoffs Games	7:00 AM	2	4:15 PM
	5:30 PM	2	10:00 PM
Rays Games	7:00 AM	2	5:30 PM
	10:00 PM	2	11:15 PM

REVENUE POTENTIAL

One of the objectives of the Pilot Service is to gain a better understanding of the revenue potential for the service, as well as gaining an understanding of how price impacts ridership demand (Elasticity of Demand).

Additional revenue can potentially be generated from sponsorships and special event activities.

The Operator and Public Representative will establish the official Pilot Service fares. However, the following tables represent the potential for revenue generation at different fare and ridership levels.

Table 2 – Rev Factors

Revenue Estimation Inputs
Based On Concept Schedule

Service Option	Max Trips/Period	Periods	Period Unit	Max PAX/Trip	Max Ticket Sales	Unit
M-F Day Time Intercity Service	18	24	Week	149	64,368	One Way
Weekend Intercity	12	24	Weekend	149	42,912	One Way
Special Events (Gasparilla & NYE)	1	2	Days	149	298	RT

Table 3 – Revenue Sensitivity

Revenue Matrix

M-F Daytime Intercity Service		Ticket Price			
% Sales	Max Tickets	Pax	\$ 5.00	\$ 7.50	\$ 10.00
25%	64,368	16,092	\$80,460	\$120,690	\$160,920
50%	64,368	32,184	\$160,920	\$241,380	\$321,840
75%	64,368	48,276	\$241,380	\$362,070	\$482,760

Intercity Weekend		Ticket Price				
% Sales	Max Tickets	Pax	\$ 5.00	\$ 7.50	\$ 10.00	\$ 12.50
25%	42,912	10,728	\$53,640	\$80,460	\$107,280	\$134,100
50%	42,912	21,456	\$107,280	\$160,920	\$214,560	\$268,200
75%	42,912	32,184	\$160,920	\$241,380	\$321,840	\$402,300

Miscellaneous	Number	Pax	Ticket/Pax	Low Revenue	High Revenue
Special Occasions (New Years Eve/Garparilla)	2	100	\$50	\$ 10,000	\$ 14,900
Sponsorships				\$ 50,000	\$ 100,000
Total				\$ 60,000	\$ 114,900

There is insufficient information available to predict the total revenue the Pilot Service might generate. In fact, this is one of the questions the project seeks to clarify. In any event, the above revenue tables can be used to help bracket the project's revenue potential.

COST BREAKDOWN

Under the current strategy, the Operators project budget is summarized as follows:

Table 4 - Operator's Budget

Revised Budget (associated with 2 nd Amendment)	
Vessel Operations	\$791,597
Operational Management and Administration	\$406,069
Maritime Facilities (Terminals)	\$250,084
Marketing	\$77,250
Total	\$1,525,000

EXHIBIT "B" -Illustration of Submerged Area and Upland Area



EXHIBIT "C" – Payment Terms

<i>Description</i>	<i>Cost</i>	<i>Payment Due Date</i>
Long Lead Items and Mobilization Costs #1	\$300,000	By August 12, 2016
Long Lead Items and Mobilization Costs #2	\$140,000	By September 1, 2016
Prior to commencement of Ferry Service	\$151,667	Before November 1, 2016
Prior to each month of service	\$151,667	Before December 1, 2016
	\$151,667	Before January 1, 2017
	\$151,667	Before February 1, 2017
	\$151,667	Before March 1, 2017
	\$151,665	Before April 1, 2017

Note: In addition to the City paying Operator the amounts set forth above in accordance with this Agreement, the City has previously expended \$50,000 of its \$350,000 funding contribution for several long lead time items related to implementation of the Ferry Service pursuant to a letter agreement between the City and Operator dated June 22, 2016. The City has also committed \$50,000 to develop, install and provide Terminal Facilities pursuant to Paragraph 8.1 of this Agreement.

EXHIBIT "D"

Exhibit D

Scenario 1 Operator fails to provide the Ferry Service pursuant to the Agreement and does not cure that default pursuant to the Agreement												Refund
Cross Ref: Paragraph 2.1												
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			All amounts paid by the City to Operator under this Agreement are refunded. (Includes payments 1, 2 and 3)
Amount Paid by City	\$300,000	\$140,000	\$151,667									
Amount Earned by Operator												
Fixed Amount												
Vessel Amount												
Other Job Costs												

Scenario 2 After commencement of the Ferry Service, Operator fails to provide the Ferry Service pursuant to the Agreement or if Operator is in default of the Agreement and fails to cure that default pursuant to the Agreement												Refund or Payment (reconciliation)
Cross Ref: Paragraph 2.2, 2.9												
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			A refund by Operator or payment by City is made. Calculation is based on the amount Operator has earned from Fixed, Vessel and Other Job Costs as described in the table for this scenario and the difference of what the City has paid the Operator at time of termination.
Amount Paid by City	\$300,000	\$140,000	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,665			
Amount Earned by Operator												
Fixed Amount	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250			
Vessel Amount	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000			
Other Job Costs												

Scenario 3 If the City fails to provide the Terminal Facilities pursuant to the Agreement and fails to cure that default pursuant to the Agreement												Payment
Cross Ref: Paragraph 8.1												
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			City pays Operator for Fixed, Vessel and Other Job Costs earned. Calculation is based on the amount Operator has earned as described in the table for this scenario and the amount the City has paid.
Amount Paid by City	\$300,000	\$140,000	\$151,667									
Amount Earned by Operator												
Fixed Amount	\$62,500	\$31,250	\$31,250									
Vessel Amount	\$75,000	\$375,000	\$375,000									
Other Job Costs												

* Actual costs committed (plus 10%) on the date of termination plus budgeted demobilization amounts (plus 10%)

Scenario 4 The City does not obtain any permits and/or approvals required by any environmental or regulatory agency by Sept. 15, 2016. Paragraph 6.2; 17.1													Refund
Cross Ref:													All amounts paid by the City to Operator under this Agreement are refunded - Less Fixed, Vessel and Other Job Costs earned by the operator as described in the table for this scenario.
Amount Paid by City		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			
		\$300,000	\$140,000										
Amount Earned by Operator													
Fixed Amount		\$62,500	\$31,250										
Vessel Amount		\$75,000											
Other Job Costs		* Actual costs committed (plus 10%) on the date of notice by City											

Scenario 5 Force Majeure pursuant to paragraph 34 of the Agreement													Refund or Payment (reconciliation)	
Aug													A refund by Operator or payment by City is made. Calculation is based on the amount Operator has earned from Fixed, Vessel and Other Job Costs as described in the table for this scenario and the difference of what the City has paid the Operator at time of termination.	
Amount Paid by City		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr				
		\$300,000	\$140,000	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,665					
Amount Earned by Operator														
Fixed Amount		\$62,500	\$31,250	\$31,250										
Vessel Amount		\$75,000												
Other Job Costs		* Actual costs committed (plus 10%) on the date of termination plus budgeted demobilization amounts (plus 10%)												

Scenario 6 Damage to Submerged Area, Maritime Facilities, Terminal Facilities, and/or Uplands Area pursuant to the Agreement Paragraph 33.1													Refund or Payment (reconciliation)	
Aug													A refund by Operator or payment by City is made. Calculation is based on the amount Operator has earned from Fixed, Vessel and Other Job Costs as described in the table for this scenario and the difference of what the City has paid the Operator at time of termination.	
Amount Paid by City		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr				
		\$300,000	\$140,000	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,665					
Amount Earned by Operator														
Fixed Amount		\$62,500	\$31,250	\$31,250										
Vessel Amount		\$75,000												
Other Job Costs		* Actual costs committed (plus 10%) on the date of termination plus budgeted demobilization amounts (plus 10%)												

Scenario 7											
Vessel is Damaged and not repaired or replaced in 30 days or the Vessel is damaged and elects not to repair or replace the Vessel											
Paragraph 33.2											
Cross Ref:	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Refund or Payment (reconciliation)	
Amount Paid by City	\$300,000	\$140,000	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	A refund by Operator or payment by City is made. Calculation is based on the amount Operator has earned from Fixed, Vessel and Other Job Costs as described in the table for this scenario and the difference of what the City has paid the Operator at time of termination	
Amount Earned by Operator	\$31,250	\$31,250	\$31,250	\$31,250	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000		
Fixed Amount	\$75,000										
Vessel Amount											
Other Job Costs										* Actual costs committed (plus 10%) on the date of termination plus budgeted demobilization amounts (plus 10%)	

Scenario 8											
City is in default of Agreement and fails to cure default pursuant to the Agreement.											
Paragraph 30											
Cross Ref:	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Refund or Payment (reconciliation)	
Amount Paid by City	\$300,000	\$140,000	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	\$151,667	A refund by Operator or payment by City is made. Calculation is based on the amount Operator has earned from Fixed, Vessel and Other Job Costs as described in the table for this scenario and the difference of what the City has paid the Operator at time of termination	
Amount Earned by Operator	\$62,500	\$31,250	\$31,250								
Fixed Amount	\$75,000										
Vessel Amount											
Other Job Costs										* Actual costs committed (plus 10%) on the date of termination plus budgeted demobilization amounts (plus 10%)	

Scenario 9											
Agreement is terminated pursuant to Paragraph 17.2											
Paragraph 17.2											
Cross Ref:	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Payment	
Amount Paid by City										City will reimburse Operator for mobilization costs and expenses not to exceed \$50,000.	
Amount Earned by Operator											
Fixed Amount	\$25,000										
Vessel Amount											
Other Job Costs										* Actual costs committed (plus 10%) to exceed \$25,000	

- Notes:
1. Amounts identified in this Exhibit D are earned in full as of the first day of the month in the schedule. Amounts are NOT pro-rated
 2. Fixed Amount: HMS undistributed overhead costs. This includes divisional and corporate overhead not specifically charged to the job (e.g. safety & training systems, regulatory compliance, HR, accounting, legal, Exec Mgmt.) Also profit.
 3. Vessel Amount: The amount HMS pays to the vessel owner for the vessel charter, includes 6 months of charter, plus delivery, redelivery, vessel crew travel and housing.
 4. Other Job Costs: All project costs not covered in the Fixed or Vessel amounts. These include: Mobilization, installation of marine facilities, fuel, routine maintenance, marketing and sales, terminal personnel, office rent, consumables

EXHIBIT "E" – TERMINAL FACILITIES

**Exhibit E
Terminal Facilities**

<u>Items Provided by City</u>	<u>Size</u>	<u>Cost</u>	<u>Unit</u>	<u>AMT</u>	<u>\$</u>
Driveway	12'x100'x6"	45	SY	135	6,075
Seawall Modifications					3,000
Shell Pad	30'x40'	60	cy	22	1,320
Clearing (Pad Area, Items around Dock Landing)		2000			2,000
Power		2500		1	2,500
Hubbell Connector	240V	1500		1	1,500
Water	2" line	2500		1	2,500
Lights					
poles		1800	ea	2	3,600
acorn		900	ea	2	1,800
install		1000	ea	1	1,000
tent lights		500	ea	3	1,500
other electrical		1000	ea	1	1,000
Permitting		10000		1	10,000
Security Fencing and Gates					5,000
Project Signage					1,000
Contingency					6,205
Total					\$ 50,000

Items Provided by Operator to be Installed by City

- Ticket Booth
- Passenger Waiting Area Tent

Details and specifications of Terminal Facilities shall be mutually
agreed upon by the City and Operator

EXHIBIT "F" – MARITIME FACILITIES

Exhibit F Maritime Facilities

Item
Gangway
Barges
Fencing
Lighting
Signage

EXHIBIT "G" – Approval Memorandum

APPROVAL MEMORANDUM

Between

The City of St. Petersburg, Florida

and

HMS Ferries, Inc.

THIS APPROVAL MEMORANDUM ("Memorandum") is made and entered into this ____ day of _____, ____ by and between the City of St. Petersburg, Florida, a municipal corporation ("City") whose post office address is Post Office Box 2842, St. Petersburg, Florida 33731-2842, and HMS Ferries, Inc. ("Operator") whose post office address is 385 Ericksen Avenue NE., Suite 123, Bainbridge Island, WA 98110, collectively (the "Parties").

W I T N E S S E T H

WHEREAS, the City and Operator entered into a License and Operating Agreement dated the ____ day of _____, ____ ("Agreement") pursuant to St. Petersburg City Council Resolution _____; and

WHEREAS, the Agreement is subject to certain required approval(s) ("Required Approval") as set forth in Paragraph 17 of the Agreement; and

WHEREAS, Paragraph 17.3 of the Agreement sets forth that the Parties shall memorialize the granting of required approvals in a memorandum, signed by the Parties; and

WHEREAS, the Required Approval(s) were granted on _____. A copy of documents granting the Required Approval(s) is attached hereto.

NOW THEREFORE, the Parties agree that Required Approval has been obtained as set forth in the Agreement and each party to this Memorandum represents and warrants to the other party that (i) it is duly organized, qualified and existing entity under the laws of the State of Florida, and (ii) all appropriate authority exists so as to duly authorize the persons executing this Memorandum to execute the same and fully bind the party on whose behalf they are executing.

[SIGNATURE PAGES FOLLOW THIS PAGE]

IN WITNESS WHEREOF the Parties hereto have caused this document to be executed by their duly authorized representatives on the day and date first above written.

WITNESSES

HMS Ferries, Inc., a Florida corporation

Sign: _____

By: DO NOT SIGN

Print: _____

Gregory A. Dronkert, as its President

Sign: _____

Print: _____

(Seal)

STATE OF FLORIDA)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by Gregory A. Dronkert, as President of HMS Ferries, Inc., a Florida corporation, on behalf of the company and appeared before me at the time of notarization.

Personally known ____

Presented _____ as identification

Notary Public - State of Florida

Notary Signature

Commission Expires

WITNESSES

Sign: _____

Print: _____

Sign: _____

Print: _____

Reviewed by:

Bruce Grimes, Director
Real Estate & Property Management

STATE OF FLORIDA)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this ____ day of _____ 2016, by _____ and Chan Srinivasa as its _____ and City Clerk, respectively, of the City of St. Petersburg, Florida, a Florida municipal corporation, existing under the laws of the State of Florida, on behalf of the corporation. They are personally known to me and appeared before me at the time of notarization.

Notary Public - State of Florida

Notary Signature

Commission Expires

APPROVED AS TO CONTENT AND FORM:

City Attorney (Designee)
By: _____
Assistant City Attorney

CITY OF ST. PETERSBURG, FLORIDA,
a Florida municipal corporation

By: **DO NOT SIGN** _____
_____, as its _____

ATTEST

By: **DO NOT SIGN** _____
Chan Srinivasa, City Clerk

(Seal)