Memorandum

MIAMI-DADE COUNTY

Date: July 24, 2007

Agenda Item No. 12(A)(6)

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Agreement for Conveyance of Land between Miami-Dade County and Merrill Stevens Dry Dock Co. and Merrill Stevens Training Institute

Recommendation

It is recommended that the Board authorize the Mayor or his designee to execute an agreement for conveyance of land with Merrill Stevens Dry Dock Co., and Merrill Stevens Training Institute, Inc., for the Marine Redevelopment Project.

Scope

Founded in 1885, Merrill Stevens is Florida's oldest, continuously operating corporation. Specializing in marine services to the yacht and mega-yacht industry, it began operating on the Miami River in 1923. The capabilities of their current facility include haul-out and launch facilities for yachts up to 500 tons, repair and refit and painting services. To remain competitive, Merrill-Stevens is embarking on a comprehensive expansion project to serve the growing needs of its clientele for repair and retrofitting of larger mega-yachts up to 250 feet long and weighing up to 2,500 tons. The new yacht service facility will incorporate the latest painting systems, machinery, carpentry, air conditioning and electric repair shops. While the existing facilities and proposed expansion are located in District 5, the scope of this project impacts the entire County. Merrill Stevens approached the County to partner in this project in order to create economic development in the area by creating jobs and not having to relocate its Miami River facility.

Florida Statute 125.045 authorizes the County to lease or convey real property to private enterprises for the expansion of businesses existing in the community for the following purposes: (i) it is necessary and in the public interest to facilitate the growth and creation of business enterprises in the counties of the state; (ii) the governing body of the County may expend public funds to retain business enterprises, and the use of public funds toward the achievement of such economic development goals constitutes a public purpose; the provisions of the statute can be exercised by the governing body of the County and must be liberally construed in order to effectively carry out the purposes of the statute; (iii) it constitutes a public purpose to expend public funds for economic development activities, including, but not limited to, developing or improving local infrastructure, leasing or conveying real property, and making grants to private enterprises for the expansion of businesses existing in the community.

This Merrill Stevens project will provide the following benefits:

- a unified development of the Project Site;
- the creation of two scenic River Walk pedestrian paths providing expanded public access to both sides of the river together with a public observation walkway that will feature viewing windows along the main building for passers-by to view and observe vessel repair and restoration activities;

- enhanced beautification and landscaping of property along the banks of the Miami River contained within the Project Site;
- increased economic opportunities for the workforce of the County, primarily focused on the creation of sustainable, high paying marine trades jobs and a comprehensive marine vocational apprentice program and training center to provide training for these new jobs;
- the construction of a marine law enforcement support facility for both the County and City marine law enforcement agencies;
- enhancement and modernization of the commercial facilities of a historic shipyard entity engaged in the maintenance, service and repair of yachts and vessels, thereby enabling it to make a critical reinvestment in its future with the certainty of knowing it has adequate facilities to assure growth and development of this vital industry for Miami-Dade County;
- landscaped area for the Robert King High and Haley Sofge Towers;
- A public Miami River Maritime Trades Exhibit, which will be completed in cooperation with the Historical Museum of South Florida.

The Training Center will provide marine vocational apprenticeship training to approximately 350 new Merrill Stevens employees over time in addition to the jobs created during the construction phase (per the Washington Economics Group, Inc. study attached) to facilitate the development of careers in the ship repair and servicing industries. The Maritime Trades Exhibit will feature the history and evolution of the marine trades in the Miami area and shall be an interactive style exhibit, including, actual tools, machines and motors utilized in the trade, diagrams, photographs and charts depicting the development of the Miami marine industry.

The process to achieve this project is to lease certain sites, provide fee simple title to others and temporary construction easements for the river walk and other public improvements which will be terminated when the construction is accepted. These various strategies are documented in Section 5 of the proposed agreement. In addition there are a series of conditions precedent which are documented in Section 7.1 which include the following:

a) Miami-Dade County's approval of the plans with respect to the construction of any Improvements on any County Retained Parcel.

b) Merrill Stevens must obtain the Final Approvals, together with all Other Development Approvals, necessary for commencement of construction of the Improvements on any County Parcel.

c) Merrill Stevens must enter into a valid and binding construction contract for the construction of the Improvements on any County Retained Parcel, which contract shall include the requirement for payment and performance bonds to be executed and delivered in connection therewith.

d) Merrill Stevens must obtain Title Commitment, as required. All environmental remediation necessary, if any, will be the responsibility of Merrill Stevens.

e) Approval of the Improvements to be constructed on any County Retained Parcel by all third parties including the U.S. Department of Housing and Urban Development, and all other government agencies, necessary for the commencement of the construction of such Improvements.

f) Approval and agreement by the State and/or any other government agency or third party to enter into submerged land leases with respect to each Parcel which requires conveyance. There will also be other agency approvals necessary for this project.

g) Merrill Stevens must provide to the County for its approval, evidence reasonably acceptable to the County, that the firm has the financial strength and ability (including financing resources) to complete the development of the Improvements on such County Retained Parcels within the term of this Agreement.

It should also be noted that in the event the Civic Center redevelopment project including elderly housing is not approved by the Board, or in the event that a suitable site for an elderly housing component is not made available to the County by Merrill-Stevens or by a private or government entity facilitated by Merrill-Stevens, in the same Commission District as the Project, within the later of twelve (12) months after completion of the 12th Avenue bridge project or thirty-six (36) months following the date of this Agreement, then Merrill Stevens shall re-convey the GSA parcel to the County. In the event of such re-conveyance, however, Merrill Stevens will not be relieved of its obligation to establish a marine vocational apprenticeship program or the Miami River Maritime Trades exhibit as previously mentioned.

Fiscal Impact/Funding Source

In order to retain its leadership in this field, while providing hundreds of sustainable new jobs and enhancing the environmental quality of future operations, Merrill Stevens is committing more than $55 million in private capital to expand and modernize its Miami River facilities to accommodate the new mega-yachts.

The May 30, 2006 report prepared for Merrill-Stevens by the Washington Economics Group, Inc. suggested the quantitative impacts of this project. Phase I (multi-year development of facilities and related infrastructure) is expected to result in the creation of over 1,090 direct and indirect jobs; an additional $41 million in labor income during the construction phase; generation of over $3.3 million in state and local tax revenues during this phase; and a total economic impact of $100 million. Phase II (annual recurring benefits) is estimated to create 1,880 direct and indirect permanent jobs, many of which will pay above-average wages; $69 million annually in labor income; $8.2 million annually in state and local tax revenues; and an estimated $195 million in annual total economic impact. It should be noted that not all

the jobs and benefits are directly at Merrill Stevens; however, the benefits are created by the multiplier effect through suppliers and other support functions.

The County conducted two different appraisals for all the County-owned parcels to be conveyed to Merrill Stevens. The value of all the appraisals averages $10,800,000 including damages to the upland property of $4,877,500 which have been mitigated by Merrill Stevens conveying all development rights affecting the upland parcel back to the County.

In addition to the positive economic impacts of the project, Merrill Stevens' contribution to the County for the land value includes $9,367,000 of estimated hard construction costs which is made up of the following elements:

Area	**Contribution**
North side of new north yard building observation platform and access	$467,000
North river walk from new north yard building to Mahi property	$2,276,000
South river walk with HUD landscape area and police access roads and perimeter security	$5,222,000
MDX landscape and police marine facility; maritime exhibit and ADA access from 12th Avenue	$1,402,000
Total	$9,367,000

In addition to the construction value in the above table, a $1 million payment will be made at the closing of the lease for the HUD land plus a $170,000 annual rental payment for that lease payable in years 3-13 totaling $2.2 million will be made. The incremental $1.2 million is the net present value of the 10 year rental payment of $170,000 per year. Staff is comfortable in recommending this amount which does not include the severance value because Merrill Stevens is conveying all development rights affecting the upland parcel back to the County.

Track Record/Monitor

Merrill Stevens Dry Dock Co.
Fred W. Kirtland – Chief Executive Officer
Ron Baker – President and Chief Operating Officer
Robin Johnson – Chief Financial Officer, Treasurer and Executive Vice President
Hugh A. Westbrook – Director and Chairman

Merrill Stevens Training Institute, Inc.
Hugh A. Westbrook – Director
Carole Shields Westbrook – Director
Frederick Kirtland, Director

Monitor
Leland Solomon, Chief, GSA Real Estate Development

Background

Merrill Stevens proposed in coordination with the Related Group and two not-for-profits to redevelop the entire Civic Center area with the previously described projects along the Miami River for Merrill Stevens and a variety of housing related projects in the Civic Center complex. The decision was reached during the negotiations to bifurcate the projects. The document before the Board today codifies the agreement with Merrill Stevens and meets the requirements of the BCC directive as given by Resolution No. R-1205-06 on October 10, 2006.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: July 24, 2007

FROM: R.A. Cuevas, Jr. Acting County Attorney

SUBJECT: Agenda Item No. 12(A)(6)

Please note any items checked.

_____	"4-Day Rule" ("3-Day Rule" for committees) applicable if raised
_____	6 weeks required between first reading and public hearing
_____	4 weeks notification to municipal officials required prior to public hearing
_____	Decreases revenues or increases expenditures without balancing budget
_____	Budget required
_____	Statement of fiscal impact required
_____	Bid waiver requiring County Manager's written recommendation
_____	Ordinance creating a new board requires detailed County Manager's report for public hearing
_____	Housekeeping item (no policy decision required)
✓	No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 12(A)(6)
7-24-07

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE AN AGREEMENT FOR CONVEYANCE OF LAND WITH MERRILL STEVENS DRY DOCK CO., AND MERRILL STEVENS TRAINING INSTITUTE, INC., FOR THE MARINE REDEVELOPMENT PROJECT

WHEREAS, this Board desires to accomplish the purposes outlined in the in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby authorizes the Mayor or his designee to execute an Agreement for Conveyance of Land with Merrill Stevens Dry Dock Co., a private for profit Florida corporation and Merrill Stevens Training Institute, Inc., a not-for-profit Florida Corporation, in substantially the form attached hereto; and authorizes the Mayor or his designee, to carry out and enforce the provisions contained therein.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 24th day of July, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Thomas Goldstein

AGREEMENT FOR CONVEYANCE OF LAND

by and between

Miami-Dade County, Florida,
a political subdivision of the State of Florida
and

Merrill Stevens Dry Dock Co.,
a Florida corporation

and

Merrill Stevens Training Institute, Inc.,
a Florida not-for-profit corporation

Dated as of August ___, 2007

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AGREEMENT FOR CONVEYANCE OF LAND

THIS AGREEMENT FOR CONVEYANCE OF LAND ("**Agreement**") is made and entered into as of the ___ day of August, 2007, by and between **MIAMI-DADE COUNTY, FLORIDA,** a political subdivision of the State of Florida ("**County**"), and **MERRILL-STEVENS DRY DOCK CO.**, a Florida corporation ("**MSDD**"), and **MERRILL STEVENS TRAINING INSTITUTE, INC.**, a Florida not-for-profit corporation ("**MSTI**", and collectively, together with MSDD and any entities under common control and ownership of MSDD, the "**MS Entities**").

Introduction and Background

A. With the intent of advancing the community interest and welfare of the County and enhancing and expanding economic activity in the County, the County and the MS Entities desire the MS Entities to create and develop on certain real property (the "**Project Site**") presently owned by the MS Entities, the County, the City of Miami, a municipal corporation of the State of Florida (the "**City**"), and the State of Florida (the "**State**"), a project (the "**Project**") that will offer significant opportunities for the employment of residents of the County and for the redevelopment and revitalization of an area along the northern and southern banks of the Miami River in the vicinity where the river intersects N.W. 12th Avenue.

B. It is recognized that the present Project Site and adjacent area is in need of improvement and modernization for the public benefit of the residents of the County and the private benefit of the State's oldest corporation (MSDD founded in 1885), which has operated a shipyard on the Project Site uninterrupted since 1923, and has employed County residents and contributed to the economic betterment of the County for over 80 years.

C. The Project will provide public and private benefits through: (i) a unified development of the Project Site; (ii) the creation of scenic pedestrian walkways along the banks of the Miami River contained within the Project Site for use by the public to view and enjoy access to this dynamic section of the Miami River and the myriad of activities which take place along its banks, together with pedestrian observation platforms located along boundaries of the shipyard operated by the MS Entities to permit access by the public to view and observe vessel repair and restoration activities taking place, (iii) enhanced beautification and landscaping of property along the banks of the Miami River contained within the Project Site, (iv) increased economic opportunities for the workforce of the County, primarily focused on the creation of sustainable, high paying marine trades jobs and a comprehensive marine vocational apprentice program and training center (the "**Training Center**") program to provide training for these new jobs, (v) the construction of marine law enforcement support facilities for both the County and City marine law

enforcement agencies (the "**Marine Law Enforcement Facility**"), (vi) enhancement and modernization of the commercial facilities of a historic and high profile entity engaged in the maintenance, service and repair of yachts and vessels up to 250 feet in length weighing up to 2500 tons, thereby enabling it to make a critical reinvestment in its future with the certainty of knowing it has adequate facilities to assure growth and development of this vital industry for the County, and (vii) inclusion within the shipyard premises, the Training Center, together with Miami River marine and maritime trades exhibit accessible by the public, to include an exhibit in cooperation with the Historical Museum of South Florida (the "**Maritime Trades Exhibit**").

D. In accordance with Florida Statute 125.045: (i) it is necessary and in the public interest to facilitate the growth and creation of business enterprises in the counties of the state; (ii) the governing body of the County may expend public funds to retain business enterprises, and the use of public funds toward the achievement of such economic development goal constitutes a public purpose; (ii) the provisions of the statute can be exercised by the governing body of the County and must be liberally construed in order to effectively carry out the purposes of the statute; (iii) it constitutes a public purpose to expend public funds for economic development activities, including, but not limited to, developing or improving local infrastructure, leasing or conveying real property, and making grants to private enterprises for the expansion of businesses existing in the community.

E. The Project will: (i) enhance and expand economic activity in the County by enabling MSDD to remain and grow in the County as an economically viable business; (ii) retain activities conducive to economic promotion; (ii) provide a stronger, more balanced, and stable economy in the County; (ii) enhance and preserve employment opportunities for the residents of the County; (iii) improve the welfare and competitive position of the County; and (iv) facilitate the growth and creation of business enterprise in the County.

F. The County will convey approximately 2.2 acres of real property to allow the Project to be developed for the purpose and subject to the terms and provisions set forth in this Agreement.

G. The MS Entities will require construction easements on certain portions of the Project Site presently owned by the County, City or State, or agencies thereof, for the purpose of construction of the public improvements set forth in this Agreement. Upon completion, these improvements will continue to be owned and maintained by the applicable government entity or agency.

H. The County and the MS Entities desire and recognize the need to exercise all reasonable efforts to expedite the development of the Project through the efficient and timely processing and coordination of all matters relating to the development of the

Project, including, without limitation, review of documents, agreements, submissions, plans and other matters in furtherance of the subject matter of this Agreement.

I. The County has determined that the development of the Project pursuant to this Agreement is in the best interest of the County and its citizens and promotes the health, safety and general welfare of its citizens, and is in accordance with the public purposes of all Legal Requirements (as hereinafter defined).

J. The County and the MS Entities desire to enter into this Agreement for the purpose of setting forth the respective rights, covenants, obligations, and liabilities of the County and the MS Entities with respect to the development of the Project.

K. Having fully considered the proposal of the MS Entities, and having further determined that it is in the mutual best interest of the County and the MS Entities to deal with the Project, as well as certain other issues covered by this Agreement, in a comprehensive manner so that the County, as well as the MS Entities, can be assured of the provision of essential public services in a manner and mode that will best permit the economic provision of both public and private resources, in compliance with all applicable laws, ordinances, plans, rules and regulations of the County, but without the uncertainty of potential changes in those laws, ordinances, plans, rules and regulations during the term of this Agreement, the parties have decided to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Recitations. The foregoing recitations are true and correct and are incorporated herein by this reference.

2. Authority and Findings. This Agreement and the conveyance of certain parcels of Property from the County to MSDD, as set forth below, will be accomplished pursuant to Section 125.045 of the Florida Statutes, which permits the County to lease or convey real property to private enterprises for the expansion of businesses existing in the community for the purposes set forth in Section 125.045, Florida Statutes.

3. Definition of Parcels. This Agreement pertains to a number of different parcels of land (individually, a "**Parcel**" and collectively, the "**Property**" or the "**Project Site**", each of which Parcels are identified and depicted in detail on **Exhibit "A"** attached hereto), all lying within Miami-Dade County, Florida, which, as used in this Agreement, shall be defined as set forth herein below. The definitions herein are included in this Section 3 solely for ease of reference in reading and understanding this Agreement. In order to avoid confusion and for purposes of clarity and illustration: (i) Parcels located north of the Miami River are those defined with an even number and Parcels located south of

the Miami River are those defined with an odd number; and (ii) while shown in greater detail on **Exhibit "A"** attached hereto, the Parcel locations and present ownership are depicted on Figures 1, 2 and 3 below.

3.1 County Parcels shall mean all Parcels presently owned in fee simple by the County.

3.2 County Retained Parcels shall mean all County Parcels in which the County shall maintain fee simple title during the term of this Agreement.

3.3 MS North Parcel shall mean the real property presently owned in fee simple by MSDD identified and depicted on **Exhibit "A"**, located along the north bank of the Miami River, immediately west of the NW 12th Avenue bridge and south of NW 11th Street.

3.4 MS South Parcel shall mean the real property presently owned in fee simple by MSDD identified and depicted on **Exhibit "A"**, located along the south bank of the Miami River, immediately west of the NW 12th Avenue bridge and north of NW 7th Street.

3.5 Parcel 1 shall mean the real property identified and depicted on **Exhibit "A"**, located south of the southern bank of the Miami River and adjacent to the western boundary of the MS South Parcel, encompassing a portion of a City public right of way.

3.6 Parcel 2 shall mean the real property identified and depicted on **Exhibit "A"**, located immediately north of the MS North Parcel and consisting of a southern portion of NW 11th Street, running the length of the MS North Parcel, encompassing a portion of a City public right of way.

3.7 Parcel 3 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located along the south bank of the Miami River and along the north boundary of Parcel 11.

3.8 Parcel 4 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located along the north bank of the Miami River immediately west of the MS North Parcel and immediately south of Parcel 12.

3.9 Parcel 5 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located along the south bank of the Miami River, east of the NW 12th Avenue bridge and immediately north of NW 8th Terrace.

3.10 Parcel 6 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located along the north bank of the Miami River, west of State Road 836..

3.11 Parcel 7 shall mean the real property presently owned in fee simple by the Miami-Dade Expressway Authority ("**MDX**"), identified and depicted on **Exhibit "A"**, located along the south bank of the Miami River, beneath State Road 836, immediately west of Parcel 3 and immediately north of Parcel 11.

3.12 Parcel 8 shall mean the real property presently owned in fee simple by MDX, identified and depicted on **Exhibit "A"**, located along the north bank of the Miami River, beneath and west of State Road 836, between Parcel 6 and Parcel 4, and immediately south of Parcel 12.

3.13 Parcel 9 shall mean the real property presently owned in fee simple by the City, identified and depicted on **Exhibit "A"**, located along the south bank of the Miami River, immediately west of the MS South Parcel, immediately north of Parcel 1, and immediately east of Parcel 3.

3.14 Parcel 10 shall mean the real property presently owned in fee simple by MDX, identified and depicted on **Exhibit "A"**, located within the east bound entrance ramp to State Road 836 from southbound N.W. 12th Avenue.

3.15 Parcel 11 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located along the south bank of the Miami River, immediately south and west of Parcel 3.

3.16 Parcel 12 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located along the north bank of the Miami River, immediately north of Parcel 4 and east of State Road 836.

3.17 Parcel 13 shall mean the real property presently owned in fee simple by the MDX, identified and depicted on **Exhibit "A"**, located along the south bank of the Miami River, beneath State Road 836, immediately west of Parcel 7 and immediately north of Parcel 21.

3.18 Parcel 14 shall mean the real property presently owned in fee simple by the State (administered by the Florida Department of Transportation ("**FDOT**")), identified and depicted on **Exhibit "A"**, located beneath the north ramp of the NW 12th Avenue bridge.

3.19 Parcel 15 shall mean the real property presently owned in fee simple by the State (administered by FDOT), identified and depicted on **Exhibit "A"**,

located beneath the south ramp of the NW 12th Avenue bridge, immediately west of Parcel 5.

3.20 Parcel 16 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located over Parcel 12 near the eastern boundary of Parcel 12 and just north of Parcel 2.

3.21 Parcel 17 shall mean the real property presently owned in fee simple by MSDD, identified and depicted on **Exhibit "A"**, forming a part of the the MS South Parcel

3.22 Parcel 18 shall mean the real property presently owned in fee simple by the State (administered by FDOT), identified and depicted on **Exhibit "A"**, located on the eastern boundary of the MS North Parcel.

3.23 Parcel 19 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located between the eastern portions of Parcel 11 and Parcel 3.

3.24 Parcel 20 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A",** located along N.W. 11th Street east of State Road 836.

3.25 Parcel 21 shall mean the real property presently owned in fee simple by MDX, identified and depicted on **Exhibit "A"**, located south of Parcel 13 and Parcel 7, beneath State Road 836, immediately west of Parcel 3 and immediately west of the western portion of Parcel 11.

3.26 Parcel 22 shall mean the real property presently owned in fee simple by MDX, identified and depicted on **Exhibit "A",** located along N.W. 11th Street and beneath State Road 836.

3.27 Parcel 23 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located immediately south of Parcel 11.

3.28 Parcel 24 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A",** located along N.W. 11th Street west of State Road 836.

3.29 Parcel 25 shall mean the real property presently owned in fee simple by the City, identified and depicted on **Exhibit "A"**, located immediately south of Parcel 1.

3.30 Parcel 26 shall mean the real property presently owned in fee simple by MDX, identified and depicted on **Exhibit "A"**, located along the north bank of the Miami River, immediately north of Parcel 8 and beneath State Road 836.

3.31 Parcel 27 shall mean the real property owned in fee simple by the City, identified and depicted on **Exhibit "A"** located immediately south of the MS South Parcel.

3.32 Parcel 28 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located along the north bank of the Miami River, immediately north of Parcel 6 and west of State Road 836.

3.33 Parcel 29 shall mean the real property presently owned in fee simple by the County, identified and depicted on **Exhibit "A"**, located immediately northeast of Parcel 11.

3.34 Parcels 2A, 3A, 4A, 5A, 6A, 7A, 8A, 9A, 13A, 17, 17A, 2B and 17B shall mean the submerged land presently owned by the State or the MS Entities, as applicable, identified and depicted on **Exhibit "A"**, immediately adjacent to each of the respective Parcels with the correlating identifying numbers (the "**Submerged Lands**").

4. Improvements. This Agreement refers to certain existing improvements presently located upon the Property, as well as certain new improvements to be constructed upon the Property (the "**Improvements**"). The Improvements, as used in this Agreement, are defined as set forth herein below, and in addition certain undertakings with respect to certain parcels are set forth herein below:

4.1 Existing MS North Parcel Yacht Repair Facility shall mean that certain dry dock and yacht service facility presently located upon the MS North Parcel.

4.2 Existing MS South Parcel Yacht Repair Facility shall mean that certain dry dock and yacht service facility presently located upon the MS South Parcel.

4.3 Existing Parcel 5 County GSA Facility shall mean those certain improvements presently utilized by the County General Services Administration located upon Parcel 5.

4.4 MS North Parcel New Improvements shall mean an expansion and modernization of the Existing MS North Parcel Facility to be conducted by the MS Entities, together with pedestrian observation platforms to permit access by the public to view and observe the vessel repair and restoration activities taking place at the New MS North Parcel Facility.

4.5 MS South Parcel New Improvements shall mean an expansion and modernization of the Existing MS South Parcel Facility to be conducted by the MS Entities.

4.6 New Improvements shall mean collectively, as the context so requires, the MS North Parcel, MS South Parcel, Parcel 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 28 and 29 New Improvements.

4.7 Parcel 1 New Improvements shall mean expansion and modernization of the Existing MS South Parcel Facility to be conducted by the MS Entities.

4.8 Parcel 2 New Improvements shall mean expansion and modernization of the Existing MS North Parcel Facility to be conducted by the MS Entities.

4.9 Parcel 3 New Improvements shall mean a service dock to be built on Parcel 3 by the MS Entities for vessels being serviced by MSDD.

4.10 Parcel 4 New Improvements shall mean a service dock to be built on Parcel 4 by the MS Entities for vessels being serviced by MSDD.

4.11 Parcel 5 New Improvements shall mean a yacht/vessel service facility and the Training Center, to be built on Parcel 5 by the MS Entities (if otherwise permitted by this Agreement), which improvements shall replace the Existing Parcel 5 County GSA Facility and shall be utilized and operated by the MS Entities, together with a Miami River Marine and Maritime Trades Exhibit (the "**Maritime Trades Exhibit**") accessible by the public .

(a) The Training Center will provide marine vocational apprenticeship training to new and existing MSDD employees to facilitate the development of careers in the ship repair and servicing industries. As part of this effort, MSTI will provide subsidies to such trainees to assist them in being able to participate in the program, such as, inter alia, transportation stipends and uniform allowances.

(b) The Maritime Trades Exhibit shall feature the history and evolution of the marine trades in the Miami area and shall be an interactive style exhibit, including, but not limited to, actual tools, machines and motors utilized in the trade, diagrams, photographs and charts depicting the development of the Miami marine industry, and other displays, graphics and lighting commonly utilized in similar museums. The MS Entities will fund the establishment of the Maritime Trades Exhibit with an initial amount of no less than $150,000. The Maritime Trades Exhibit shall : (i) be free and open

to the public during daytime hours seven days a week (except for New Years Day, Martin Luther King Day, Easter Sunday, Memorial Day, Fourth of July, Thanksgiving and Christmas Day) and shall operate educational programs; (ii) be approximately 2400 square feet; (iii) include an exhibit in cooperation with the Historical Museum of South Florida, to be evidenced by an executed memorandum of understanding between MSTI and the Historical Society of South Florida; and (iv) be accessible by handicapped citizens in compliance with ADA requirements.

(c) The Training Center and the Maritime Trades Exhibit shall remain in place and operational for so long as MSDD, or any successors or assigns, operates its shipyard business on the Project Site. This provision shall survive the term of this Agreement.

(d) The MS Entities will provide educational outreach to the community through programs such as the Miami Youth Service Corps., South Florida Workforce, Inc. and the Miami-Dade County Public Schools.

(e) The County and the MS Entities acknowledge and agree that the County may, as part of a redevelopment project, if any, separate and distinct from the Project, affecting an area of the County on the north side of the Miami River commonly referred to as the Civic Center (a "Civic Center Project'), cause elderly housing to be a component of such project. The County and the MS Entities further acknowledge and agree that in the event a Civic Center Project with the inclusion of elderly housing is not approved by the County's Board of County Commissioners, or in the event a project with an elderly housing component is not made available to the County by the MS Entities or by another private or government entity facilitated by the MS Entities, in the same County Commission District as the Project, within the later of twelve (12) months after completion of the 12th Avenue bridge project or thirty-six (36) months following the date of this Agreement, the MS Entities shall re-convey Parcel 5 to the County. In the event of such re-conveyance, the MS Entities shall not be relieved of their obligation to establish a marine vocational apprenticeship program or maritime trades exhibit at some other location within the project.

4.12 Parcel 6 New Improvements shall mean a service dock to be built on Parcel 6 by the MS Entities for vessels being serviced by MSDD.

4.13 Parcel 7 New Improvements shall mean a service dock to be built on Parcel 7 by the MS Entities for vessels being serviced by MSDD.

4.14 Parcel 8 New Improvements shall mean a service dock to be built on Parcel 8 by the MS Entities for vessels being serviced by MSDD.

4.15 Parcel 9 New Improvements shall mean a service dock to be built on Parcel 9 by the MS Entities for vessels being serviced by MSDD.

4.16 Parcel 10 New Improvements shall mean a new parking facility to be built and utilized by the MS Entities.

4.17 Parcel 11 New Improvements shall mean a pedestrian river walkway and landscaping for said walkway to be built by the MS Entities on Parcel 11.

(a) The MS Entities shall work in cooperation with the County through its housing agency ("**MDHA**") and tenants of the Haley Sofge and Robert King High Towers, which are located on the property contiguous to Parcel 11 and adjacent to Parcel 3, in developing this amenity. In addition, the MS Entities shall support the application to be submitted by MDHA to the U.S. Department of Housing and Urban Development ("**HUD**") seeking approval for the conveyance of Parcel 3 to MSDD and the improvement to Parcels 11 and 23 by MSDD. Such application shall adhere to all HUD requirements in connection therewith, including any requirement that the value of the commensurate benefit justifies the conveyance of the subject real property, provided, however, the County and/or the MDHA shall not impose any requirement (financial, economic, monetary or otherwise) that are not otherwise requirements of HUD. The MS Entities acknowledge and agree that the approval by the County to convey Parcel 3 to MSTI and the improvement of Parcels 11 and 23 shall be contingent upon the receipt of such approval by HUD. In addition, in consideration of the conveyance of Parcel 3 by the County to MSDD, the MS Entities shall pay to the County the following: (i) One Million Dollars ($1,000,000.00) upon the closing of the Ground Lease (as defined in Section 5.1 hereof); and (ii) commencing three (3) years from the closing of the Ground Lease, annual lease payments of One Hundred Seventy Thousand Dollars ($170,000.00) per year for a period of ten (10) years (with no further lease payments being due and payable by MSDD to the County under the Ground Lease or any renewal term thereof).

4.18 Parcel 12 New Improvements shall mean a pedestrian river walkway to be built by the MS Entities on Parcel 12.

4.19 Parcel 13 New Improvements shall mean a service dock (including required access, parking and perimeter security), to be built on Parcel 13 by the MS Entities utilized as part of the Marine Law Enforcement Facility.

(a) The Marine Law Enforcement Facility will enable County and City marine law enforcement agencies to have greater visibility on this important and vital portion of the Miami River.

4.20 Parcel 14 New Improvements shall mean a new parking facility to be built and utilized by the MS Entities.

4.21 Parcel 15 New Improvements shall mean a new parking facility (including ingress, lighting and landscaping as required by any applicable government agency), to be built and utilized by the MS Entities.

4.22 Parcel 16 New Improvements shall mean a pedestrian skybridge to access the west observation platform to be built by the MS Entities on the Parcel 2 New Improvements.

4.23 Parcel 17 New Improvements shall mean a portion of the expansion and modernization of the Existing MS South Parcel Facility to be conducted by the MS Entities.

4.24 Parcel 18 New Improvements shall mean a pedestrian skybridge to access the east observation platform to be built by the MS Entities on the Parcel 2 New Improvements.

4.25 Parcel 19 New Improvements shall mean a roadway to be rededicated to the City to provide access to the Parcel 11 New Improvements.

4.26 Parcel 20 New Improvements shall mean road, curb and gutter refurbishment to be conducted by the MS Entities on Parcel 20.

4.27 Parcel 21 New Improvements shall mean the Marine Law Enforcement Facility to be built by the MS Entities. [see cross reference to Section 4.19]

4.28 Parcel 22 New Improvements shall mean road, curb and gutter refurbishment to be conducted by the MS Entities on Parcel 22.

4.29 Parcel 23 New Improvements shall mean enhancement of the landscaping to be conducted by the MS Entities on Parcel 23. The provisions of Section 4.17(a) shall apply with full force and effect to Parcel 23.

4.30 Parcel 24 New Improvements shall mean road, curb and gutter refurbishment to be conducted by the MS Entities on Parcel 24.

4.31 Parcel 25 New Improvements shall mean road, curb and gutter refurbishment to be conducted by the MS Entities on Parcel 25.

4.32 Parcel 26 New Improvements shall mean a pedestrian river walkway to be built by the MS Entities on Parcel 26.

4.33 Parcel 28 New Improvements shall mean a pedestrian river walkway to be built by the MS Entities on Parcel 28.

4.34 Parcel 29 New Improvements shall mean enhancement of the landscaping to be conducted by the MS Entities on Parcel 29.

5. Related Agreements. Subject to the satisfaction or waiver of certain conditions precedent set forth in Section 7 of this Agreement, the County and MSDD agree to enter into the following:

5.1 Conveyance Documents. One or more conveyance documents (all such documents collectively, the "**Conveyance Documents**") executed by the County in favor of MSDD, providing for: (i) the fee simple conveyance of a Parcel and any improvements thereon, in the form attached hereto as **Exhibit "B"**; provided, however, in the event it becomes necessary for the County to convey Parcel 3 to MSDD by a long term ground lease, a ground lease with a term of thirty (30) years, with two (2) thirty (30) year renewal options shall be entered into by and between the County and MSDD, in form and content reasonably acceptable to the County and MSDD (the "**Ground Lease**"); or (ii) the conveyance of a temporary construction or use easement in order to accomplish the construction of certain improvements in connection with the Project in accordance with this Agreement, in the form attached hereto as **Exhibit "C"**; each of which Conveyance Documents shall be executed only upon (and simultaneous with) the satisfaction or waiver of all the conditions precedent in Section 7.1 below.

(a) Conveyances. The County shall convey Parcels 2, 3, 4, 5, 6 and 16 to MSDD. With respect to Parcel 5, the Conveyance Documents shall include provisions for the creation of the Training Facility and the Maritime Trades Exhibit..

(b) Construction Easements. The County shall convey a temporary construction easement in Parcels 11, 12, 19, 20, 22, 23, 24, 25, 26 and 28 to MSDD for the construction of the Improvements on these Parcels. After construction of the improvements on these Parcels, the County shall have full title, use and enjoyment of these Parcels and the improvements for the benefit of its residents. The construction easements referenced herein shall cease to exist after the improvements to be constructed on each applicable Parcel are Substantially Complete (as hereinafter defined).

(c) Development Rights. With respect to Parcels 3, 4 and 6 (the Parcels on which the service docks shall be constructed), MSDD shall convey, if permitted by applicable law, any and all development rights to the County, as the owner of the adjacent former upland Parcel.

6. Land Use, Zoning and Other Approvals.

6.1 Master Site Plan. Upon the execution and delivery of this Agreement, the County shall be deemed to have approved the Master Site Plan for the Project, as identified on **Exhibit "D"** attached hereto (the "**Master Site Plan**").

6.2 Development Approvals. Certain provisions of this Agreement may require the MS Entities to seek the cooperation or approval of the County and its boards, departments or agencies, acting in their governmental capacities, to grant certain approvals and or variances, as well as to initiate other governmental actions, relative to land use, entitlements and zoning to enable the Project to be developed on the County Parcels and County Retained Parcels. The term **"Development Approvals"** as used in this Agreement shall mean all County approvals, consents, permits, amendments, rezonings, special use exemptions or variances as well as such other official actions of the federal, state or local governments which are necessary to develop the Improvements on the County Parcels and County Retained Parcels, as contemplated by this Agreement. The obligations of the MS Entities to obtain the Development Approvals hereunder shall be deemed satisfied and fulfilled at such time as the Development Approvals are fully adopted by all requisite governmental actions and the same have become final, binding and no longer subject to appeal, which shall hereinafter be referred to as having obtained the **"Final Approvals."** In the event any of the Final Approvals include a requirement that the County, as property owner, must provide its joinder or consent, or to act as co-applicant or applicant, to the MS Entities, the County hereby agrees to promptly upon request of the MS Entities, provide such joinders, consents and applications. Any such joinders, consents or applications shall be processed by the MS Entities, without any cost

or expense to the County. Notwithstanding the foregoing, the term Development Approvals are not intended to include building permits, certificates of use or occupancy, or such other County or other similar governmental permits or approvals that are purely ministerial (as opposed to discretionary) in nature (the "**Other Development Approvals**") .

6.3 Applications for Development Approvals. The MS Entities will initiate and diligently pursue the Development Approval applications which are the MS Entities' responsibility within one hundred eighty (180) days of this Agreement, unless otherwise agreed by the County, which agreement shall not be unreasonably withheld, and further subject to Force Majeure.

(a) The County shall join in, consent to or apply for the filing of all Development Approval applications as necessary and as required and requested by the MS Entities because of its ownership of or rights to the properties affected thereby.

(b) The MS Entities agree to pay all of the application fees and advertising costs required for the processing of the Development Approval or Other Development Approval applications.

(c) After obtaining the Final Approvals, the County, to the extent permitted by law, shall cooperate and assist the MS Entities in the applications for and processing of any and all Other Development Approvals with respect to the development of the Project on the County Parcels and County Retained Parcels (including, without limitation, any building permit requested by the MS Entities) as may be required to allow the construction of the Improvements. Nothing contained herein shall obligate the County to expend any funds in support of any such applications.

6.4 Land Use, Zoning and Other Approvals. As provided above, the parties recognize and agree that certain provisions of this Agreement may require the County and/or its respective boards, departments or agencies, acting in their governmental capacities, to consider granting certain approvals and or variances, as well as to initiate other governmental actions, relative to land use, entitlements and zoning to enable the Project to be developed on the County Parcels and County Retained Parcels (such as, but not limited to, street abandonments), as set forth in this Agreement. All such actions shall be undertaken in accordance with established requirements of applicable State statutes and County ordinances, in the exercise of the County's jurisdiction under the police power. Nothing in this Agreement is intended to limit or restrict the powers and responsibilities of the County in acting on applications for Development

Approvals by virtue of the fact that the County may have been required to consent to such applications as a property owner. The parties further recognize and agree that these proceedings shall be conducted openly, fully, freely and fairly in full accordance with law and with both procedural and substantive due process to be accorded the applicant and any member of the public that may be entitled to participate in any such proceeding. Nothing contained in this Agreement shall entitle the MS Entities to compel the County to take any such actions, save and except the consents to the filing of such applications for Development Approvals, as more fully set forth herein.

6.5 County's Rights as Sovereign. It is expressly understood that notwithstanding any provision of this agreement and the County's status thereunder:

(a) the County retains all of its sovereign prerogatives and rights as a county under Florida laws and shall in no way be estopped from withholding or refusing to issue any approvals of applications for building, zoning, planning or development under present or future laws and regulations of whatever nature applicable to the planning, design, construction and development of the Project and Project Site or the operation thereof, or be liable for the same; and

(b) the County shall not by virtue of this Agreement be obligated to grant the MS Entities any approvals of applications for building, zoning, planning or development under present or future laws and ordinances of whatever nature applicable to the planning, design, construction, development and/or operation of the Project and the Project Site.

6.6 No Liability for Exercise of Police Power. Notwithstanding and prevailing over any contrary provision in this Agreement, any County covenant or obligation that may be contained in this Agreement, including but not limited to the following:

(a) to cooperate with, or provide good faith, diligent, reasonable or other similar efforts to assist the MS Entities, regardless of the purpose required for such cooperation; or

(b) to execute documents or grant approvals, regardless of the purpose required for such execution or approvals; or

(c) to apply for or assist the MS Entities in applying for any County or third party permit or needed approval; or

(d) to task, defend against, or assist the MS Entities in contesting or defending against any challenge of any nature;

shall not bind the County or any other County department or authority, committee or agency, to grant or leave in effect any zoning changes, variances, permits, waivers, contract amendments, or any other approvals that may be granted, withheld or revoked in the discretion of the County or other applicable governmental agencies in the exercise of its police power; and the County shall be released and held harmless by the MS Entities from any liability, responsibility, claims, consequential or other damages, or losses to the MS Entities or to any third parties resulting from denial, withholding or revocation (in whole or in part) of any zoning or other changes, variances, permits, waivers, amendments, or approvals of any kind or nature whatsoever. Without limiting the foregoing, the parties recognize that the approval of the Development Approvals will require the County to exercise its quasi-judicial or police powers. Notwithstanding any other provision of this Agreement, the County shall have no obligation to approve, in whole or in part, any application for a Development Approval. Any obligation the County may have to use reasonable good faith efforts in the processing and acceptance of such Development Approvals shall not extend to any exercise of quasi-judicial or police powers and shall be limited solely to ministerial actions, including the timely acceptance and processing of any applications. Moreover, in no event shall any failure of the County to adopt any of the Development Approvals be construed a breach or default of this agreement.

7. Conditions Precedent.

7.1 Conditions Precedent to the MS Entities' Obligation to Construct the Improvements and the County's Obligation to Convey Interests. The following shall be conditions precedent to the MS Entities' obligation to construct any Improvements on any County Parcel or County Retained Parcel and the County's obligation to convey any County Parcel or County Retained Parcel to MSDD:

(a) The County shall have approved the Plans (as hereinafter defined) with respect to the construction of any Improvements on any County Retained Parcel in accordance with Section 8 below.

(b) The MS Entities shall have obtained the Final Approvals, together with all Other Development Approvals, necessary for commencement of construction of the Improvements on any County Parcel or County Retained Parcel.

(c) The MS Entities shall have entered into a valid and binding construction contract (in accordance with the requirements of Section 8.8 below) for the construction of the Improvements on any County Parcel or County Retained Parcel, which contract shall include the requirement for payment and performance bonds to be executed and delivered in connection therewith.

(d) The MS Entities shall have obtained the Title Commitment set forth in Section 7.4 herein.

(e) Approval of the Improvements to be constructed on any County Parcel or County Retained Parcel by all third parties and government agencies, necessary for the commencement of the construction of such Improvements.

(f) Approval and agreement by the State and/or any other government agency or third party to enter into submerged land leases with respect to each Parcel which require conveyance by such submerged land leases.

(g) The MS Entities shall have provided to the County for its approval, evidence reasonably acceptable to the County, that MSDD has the financial strength and ability (including financing resources) to complete the development of the Improvements on such County Parcel or County Retained Parcel within the term of this Agreement.

7.2 Approval Period; Failure to Satisfy Conditions Precedent. It is recognized by the parties that it is not the intention of any party to encumber the County with this Agreement for an indefinite period of time during the period of satisfaction of the conditions precedent. Accordingly, the MS Entities shall have (i) a period of forty (40) months following the date of this Agreement to satisfy the conditions precedent set forth in Section 7.1 of this Agreement with respect to each County Parcel and each County Retained Parcel (each such time period is hereinafter sometimes referred to herein as the "**Approval Period**" and/or collectively as the "**Approval Periods**") unless otherwise agreed to by the parties hereto. In the event the Final Approvals and conditions precedent have not been satisfied with respect to any County Parcel or County Retained Parcel on or before the expiration of the Approval Period, or in the event prior thereto, any of the required Development Approvals have been denied by the County (or, with respect to any Development Approval which is denied by a governmental entity other than the County, not refiled or appealed within thirty (30) days after such denial, to the extent such refiling or appeal is permitted by law), then the MS Entities may, at

their sole option, (i) request the County to consent to a twelve (12) month extension of the Approval Period, which consent shall not be unreasonably withheld, conditioned or delayed provided the reason for such extension results from circumstances beyond the control of the MS Entities, (ii) terminate the Agreement as hereinafter provided with respect to any County Parcel which has not yet been conveyed and thereafter the parties shall be relieved of any further obligations or liabilities to each other with respect to such Parcel under this Agreement, or (iii) waive the condition precedent and continue as if such condition has been satisfied. Notice of termination shall be given in writing to the County no later than thirty (30) days prior to the expiration of the applicable Approval Period (as the same may be extended). If the MS Entities terminate this Agreement prior to the expiration of the Approval Period or any extensions thereof, then this Agreement shall terminate as to all provisions except those specifically provided below to survive and all of the other provisions and obligations of the parties under this Agreement shall fully terminate and be null and void. If the Final Approvals are obtained and the conditions satisfied prior to the delivery of a written notice of termination, then there shall be no further right of termination hereunder. In the event all of the Development Approvals have been timely obtained, but some or all of them are being challenged by third parties or appeal periods have not expired so that they have not become Final Approvals at a time when the Approval Period (as the same may have been extended) is expiring, the County and the MS Entities, agree to consider the desirability and advisability of further extending the Approval Period(s), provided that such consideration and the determination thereof shall be in the reasonable discretion of each of such respective parties, and must be separately agreed in writing by the County and the MS Entities in order to be binding.

7.3 Expenses. All expenses in connection with satisfying the foregoing conditions precedent shall be borne by the MS Entities except that the County shall bear the professional fees of their own professional consultants, including, architects, contractors, accountants, appraisers and attorneys in connection with reviewing any applications, plans and/or materials prepared and submitted by the MS Entities and the MS Entities' professionals.

7.4 Title. Prior to the execution and delivery of the Conveyance Documents, the MSDD shall have obtained a commitment (each, a "**Title Commitment**") from a title insurance company acceptable to the MS Entities to issue an ALTA title insurance policy to MSDD, respectively, effective as of the date of the execution and delivery of the Conveyance Documents for the Parcel being conveyed by the County to MSDD, respectively. The County shall cooperate, in its reasonable discretion, in satisfying the requirements set forth in Schedule B-1 of each Title Commitment (including without limitation, the delivery of an

appropriate exclusive possession and gap affidavit) provided any such requirement does not conflict with the conveyance of a Parcel by County Deed, to convey title, as applicable, required by this Agreement. At the time of execution of the execution and delivery of the Conveyance Documents, the County shall deliver to MSDD all interest it has in the applicable County Parcel, in accordance with Florida Statute 125.411. Prior to the execution of the Conveyance Documents, no part of the applicable County Parcel shall be alienated, encumbered, conveyed or otherwise transferred (with the exception of such transfers agreed to by the parties hereto) and the County shall not permit any action to be taken which would result in any defect in the title otherwise required. MSDD may update the title and obtain any surveys or updated surveys it desires prior to the date when the Conveyance Documents are required to be executed and delivered, and the County shall take all actions necessary to cure any defect first arising after the effective date of the Title Commitment. Notwithstanding the forgoing, MSDD shall have no obligation to accept the conveyance of a County Parcel in the event it finds, for any reason, that title thereto is defective, unmarketable or uninsurable, in its sole and absolute discretion. In addition, in the event MSDD finds, for any reason, that title thereto is defective, unmarketable or uninsurable, the County shall cooperate with MSDD (using commercially reasonable efforts but with no expense to be incurred by the County), in removing any defect to title.

7.5 Environmental Reports. Prior to the execution and delivery of the Conveyance Documents, the MSDD may conduct all necessary, desirable or appropriate environmental auditing, testing and analysis of the County Parcels (the "**Environmental Report**") through environmental consultants acceptable to MSDD, in its sole and absolute discretion. The Environmental Report shall be certified to the MS Entities and their respective lenders, if any. Notwithstanding the forgoing, MSDD shall have no obligation to accept the conveyance of a County Parcel in the event it finds, for any reason, that environmental condition thereof is unacceptable, in its sole and absolute discretion. In addition, in the event MSDD finds, for any reason, that there exists environmental contamination on a County Parcel, the County shall cooperate with MSDD (using commercially reasonable efforts but with no expense to be incurred by the County), in removing any environmental contamination.

7.6 Reversion of Parcels. Notwithstanding anything to the contrary set forth in this Agreement, in the event the Final Approvals and conditions precedent set forth in Section 7.1 herein have not been obtained with respect to any individual Parcel within the Approval Period (as said Approval Period may be extended in accordance with the terms hereof), this Agreement shall be deemed terminated with respect to such Parcel and if such Parcel has been conveyed to MSDD,

such Parcel shall immediately revert or be re-conveyed to the County, as applicable. In addition, in the event any work has commenced on such Parcel, such Parcel shall be restored by the MS Entities to the condition such Parcel was in as of the date of this Agreement, except as otherwise agreed by the County. Upon any such termination, this Agreement shall terminate as to all provisions relating to the subject Parcel, except those specifically provided below to survive and all of the other provisions and obligations of the parties under this Agreement with respect to such Parcel shall fully terminate and be null and void.

8. Development Plans for Improvements on County Retained Parcels.

8.1 County Approval of Plans. No clearing or excavation of any County Retained Parcel shall be commenced until the Plans (as defined below) for the Improvements planned thereon have been approved in writing by the County, as applicable, as more particularly set forth in this Section 8. No building, wall, structure or other improvement constituting the Improvements shall be commenced, erected or placed (other than existing Improvements) on any portion of the Project Site until the Plans for same have been approved in writing by the County, pursuant to this Section 8. Each building, wall, structure or other improvement constituting the Improvements shall be constructed by the MS Entities in substantial accordance with the Plans, all as approved by the County, in accordance with this Section 8 (the "**Approved Plans**"). The term "**Plans**" as used in this Agreement shall mean plans, drawings and outline specifications providing details as to: (i) the volume of all improvements to be constructed (including, without limitation, the height, setbacks, projecting elements, entries and accessways of all such improvements); (ii) roof-level design, (iii) elevations and facades of all improvements (including elements such as windows, spacing and size of fenestrations, balconies, canopies, cornices, moldings and ornamentation lines and exterior details); and (iv) exterior finishing materials, lighting plans and architectural treatment of machinery and equipment visible from the exterior of the improvements. The County shall not unreasonably withhold its approval of the Plans. Under this Section 8, the County shall not be liable to any of the MS Entities or any third party as a result of its approval of any Plans; and any of the MS Entities shall indemnify and hold harmless the County, its officers, employees and agents from any and all claims arising out of or relating to the County's approval of the Plans, including the Master Site Plan.

8.2 Traffic Study. Prior to the MS Entities' commencing excavation or construction of the Improvements located on any County Parcels, the MS Entities shall submit to the County, for approval, at no cost to the County, a traffic study to determine the impact and best method for mitigating the impact of the Project on the area's traffic.

8.3 Plan Approval Process. The County shall have a period of thirty (30) days after receipt of two (2) counterpart copies of the Plans to advise the MS Entities in writing of their approval or disapproval of the same. The County shall notify the MS Entities on or before the thirtieth (30th) day following receipt of the Plans of any disapproval of said Plans together with the specific reasons therefor and the steps necessary to correct the same. In the event of a disapproval of which the MS Entities are duly notified, the MS Entities shall, within thirty (30) days after the date they receive the notice of such disapproval, resubmit such Plans to the County altered to meet the grounds of disapproval. Any resubmission shall be subject to review and approval by the County pursuant to the foregoing Plan Approval Process, until the same shall be finally approved by the County, provided, however, after resubmission of the Plans to the County, the County shall have a period of thirty (30) days after receipt of the Plans to advise the MS Entities in writing of their approval or disapproval of the same. After approval of any particular Plans by the County, the approval as to those Plans may not be subsequently withdrawn or rejected (the preceding approval process is defined herein as the "**Plan Approval Process**"). No approvals by the County of any Plans pursuant to this Section 8 shall release the MS Entities of any obligation they may have at law to file the Plans with any appropriate department of the County or any other governmental authority having jurisdiction thereover, or to obtain any building or other permit or approval required by law, regulation or ordinance. All Plans as finally approved by the County shall be initialed by an authorized representative of the County and the applicable MS Entity, and shall be and are incorporated into this Agreement by this reference, and such Plans shall be deemed conclusive evidence that the County has accepted such Plans as being in conformity with the requirements of this Agreement. The foregoing shall in no way be deemed to inhibit, restrict or require the exercise of the County's police power or actions of the County when acting in a quasi-judicial capacity.

8.4 Construction Plans. Prior to the commencement of construction of the Improvements on the County Retained Parcels, the MS Entities shall submit to the County final detailed working plans and specifications, including, without limitation, foundation, structural, electrical and mechanical drawings and specifications as required by County Code.

8.5 Changes to Plans. The MS Entities shall not materially change or modify the Approved Plans without the County's prior written consent, which shall not be unreasonably withheld provided that the change is consistent with the approved Plans. Any such requested modification of the Approved Plans shall be submitted to the County for review in accordance with the Plan Approval Process, provided, however, that the time period for review shall be thirty (30)

days. The County agrees that it shall approve any change which is in fact in substantial accordance with the approved Plans.

8.6 Conformity of Plans. All work by the MS Entities with respect to the Improvements shall be in substantial accordance with the Approved Plans, this Agreement and applicable governmental permits, laws, codes, ordinances and regulations.

8.7 Construction Contract(s). The MS Entities shall comply with Section 255.20, Florida Statutes, in selecting any general contractor(s) to construct the proposed Improvements on the County retained Parcels. In the event that the MS Entities wish to rely on the waiver provisions contained therein, the waiver will be subject to the express approval of the County's Board of County Commissioners in accordance with the County's Charter and ordinances. The MS Entities shall engage a general contractor(s) having experience commensurate with the size and scope of the Improvements and the financial ability to perform their obligations to complete the Improvements. The MS Entities shall provide the County with a copy of the proposed construction contract(s) for review. The County shall have the right to review the construction contract(s) only to determine that the contract: (i) is fully one hundred percent (100%) bonded as to both payment and performance in favor of the County and the MS Entities (and/or any other affected party if required by applicable law), as co-obligees and as their interests may appear; (ii) is with a general contractor(s) meeting the requirements of this Section 8.8; (iii) contains a definition of "completion" or "substantial completion" which is the same or more stringent than the definition of Substantial Completion set forth in Section 8.10 below; (iv) requires construction of the Improvements in substantial accordance with the Approved Plans; (v) requires completion of the Improvements within the term of this Agreement; (vi) includes usual and customary liquidated damage clauses or incentives for timely completion; and (vii) includes a provision that the contractor thereunder shall not lien the property that is the subject matter of the contract. If the County reasonably determines that the construction contract(s) is not in accordance with the foregoing, then the County shall give notice of such to the MS Entities together with a written list of provisions in the construction contract(s) which it determines do not comply with clauses (i) through (vii) above, and accordingly require modification, within thirty (30) days of submission to the County.

(a) The MS Entities shall cooperate with the Miami-Dade County Department of Business Development ("**DBD**") to identify and establish appropriate Community Small Business Enterprise ("**CSBE**") measures including goals and local workforce goals under the Community Workforce Program Provisions ("**CWP**") for

the construction trade and labor work associated with the construction.

(b) MS Entities and the general contractor(s) retained hereunder shall comply with all CSBE subcontractor and local workforce goals established by DBD and comply with all other requirements of CSBE participation provisions and Community Workforce Program Provisions.

(c) Any general contractor(s) retained hereunder shall, and shall require all subcontractors to (i) comply with all periodic monitoring and other compliance documentation required by DBD in connection with the CSBE Participation provisions, the CWP and the Responsible Wages ordinance; (ii) grant to DBD all rights of access to records of the general contractor and subcontractors for monitoring and compliance with the foregoing; and (iii) comply with all enforcement actions and pay any sanctions imposed by DBD for non-compliance with the foregoing. The foregoing requirements shall be included in the general contractor's construction contract and subcontractor bid package and subcontract.

(d) Any general contractor(s) retained hereunder shall have an affirmative action plan filed with and approved by the DBD which plan shall be in accordance with Miami-Dade County Ordinance No. 82-37 and shall be in effect for the entire term of its construction contract with the MS Entities.

8.8 County's Inspection. The MS Entities shall be responsible for inspecting the construction and work being performed by the general contractor(s) to determine if said construction and work are being performed in substantial accordance with the Approved Plans. Monthly reports of their inspections shall be included within the Progress Reports (hereinafter defined). The County shall have the right to inspect the Improvements from time to time to verify the MS Entities' reports. The MS Entities shall cooperate (and shall cause their general contractor(s) and any other contractors, subcontractors, employees and agents to cooperate) fully with all such inspections and examinations. In making the foregoing inspections, the County will take care so as not to interfere with the progress of construction of the Improvements.

8.9 Acknowledgement(s) of Final Completion. Upon the "Substantial Completion" (as hereinafter defined) of the Improvements on any County Retained Parcel, the County shall furnish the MS Entities with an instrument acknowledging the completion of the Improvements and evidencing the County's

acceptance of the Improvements (the **"Acknowledgement of Final Completion"**). For the purposes hereof, **"Substantial Completion"** or **"Substantially Completed"** shall mean such time as: (i) the Improvements have been completed in substantial accordance with the Approved Plans, except only for minor punchlist items of detail and decoration; (ii) a temporary certificate of occupancy or unconditional certificate of occupancy (if required or applicable) has been issued by the appropriate governmental agency with respect to the Improvements; and (iii) the County has received a signed and sealed professional certification from an architectural or engineering firm reasonably acceptable to the County that the Improvements are completed in substantial accordance with the Approved Plans, except only for minor punchlist items of detail and decoration. The Acknowledgement of Final Completion shall only be issued upon a determination by the County (which shall not be unreasonably withheld, delayed or conditioned) that the Improvements have been Substantially Completed, and upon County's receipt from the MS Entities of the following:

(a) two (2) sets of as-built final Plans for the Improvements; and

(b) a final affidavit and release of lien from the MS Entities' general contractor(s) attesting to the receipt and payment of all obligations relating to construction and development of the Improvements and final releases of lien by all lienors, subject to final payment by the MS Entities under this Section 8.10.

If the County reasonably determines not to issue the Acknowledgement of Final Completion in accordance herewith, the County shall, within thirty (30) days after written request from the MS Entities, provide the MS Entities with a written statement indicating in what respects the MS Entities have failed to Substantially Complete the Improvements, and what measures and acts, the County reasonably believes are necessary for the MS Entities to take or perform in order to obtain such Acknowledgement of Final Completion pursuant to this Section 8.10. The issuance of the Acknowledgement of Final Completion shall be conclusive evidence of the full compliance by the MS Entities of all requirements of this Agreement as to the Improvements. After issuance of a Acknowledgement of Final Completion, such acknowledgement may not be revoked by the County.

8.10 Warranty. The MS Entities shall cause the County to be provided with a usual and customary one (1) year contractor warranty in connection with all Improvements constructed by the MS Entities on any County Retained Parcel .

8.11 Commencement of Construction. Subject to "Force Majeure" (as hereinafter defined) and the satisfaction of the conditions precedent set forth in

Section 7.1 above, the MS Entities shall commence construction of the Improvements and, at all times, proceed diligently to Substantial Completion in substantial accordance with the Approved Plans.

8.12 Progress of Construction. The MS Entities shall commence construction of the Improvements and at all times continuously proceed with said construction, subject to Force Majeure. The MS Entities shall keep the County advised of the progress of the Improvements through monthly progress reports (the "**Progress Reports**") in form and substance reasonably agreed to by the County and the MS Entities, delivered to the County on or before the fifteenth (15th) of each month containing information for the immediately preceding month. In the scheduling of construction work on the Project Site, the MS Entities shall take steps to minimize interference with the normal traffic flow in and around the Project Site in a system and manner reasonably acceptable to the County. The MS Entities shall perform all work in a good and professional manner and consistent with and substantially in accordance with the Approved Plans.

8.13 Compliance with Laws. The Improvements will be constructed by the MS Entities in accordance with applicable statutes, laws, ordinances, rules, regulations, and orders, including, without limitation, those regarding the storage, use, removal, disposal, handling and transportation of Hazardous Substances (as defined below), provided that nothing herein shall limit the right of the MS Entities or contractor to contest the validity or enforceability of any such statute, law, ordinance, rule, regulation, or order with which the MS Entities may be required to comply. As used herein, the term "**Hazardous Substances**" mean any flammable explosives, radioactive materials, friable asbestos, electrical transformers, batteries and any paints, solvents, chemicals, or petroleum products, as well as any substance or material defined or designated as a hazardous or toxic waste material or substance, or other similar term by any federal, state, municipal or local environmental statute, regulation or ordinance presently or hereinafter in effect, as such statute, regulation or ordinance may be amended from time to time.

9. Insurance.

9.1 MS Entities' Insurance. The MS Entities shall obtain and at all times prior to the issuance of a Certificate of Final Completion maintain or cause to be obtained and maintained the following insurance with respect to the Project Site and Improvements, and as otherwise required in this Section 9:

(a) Builder's risk insurance shall be maintained during any period of construction of the Improvements, insuring the Project Site against all casualties on a progressively insured basis for not less than one

hundred percent (100%) of the replacement cost of the Improvements on a completed value form. During such construction, the MS Entities shall require the MS Entities' contractors to maintain (or, if one of the MS Entities act as the contractor, then such MS Entity shall maintain) worker's compensation insurance in the amounts required by law and adequate contractor's general comprehensive liability insurance (including automobile liability coverage) which shall name the subcontractors as insureds and shall include supplemental endorsements, a completed operations endorsement and personal injuries and broad form property damage endorsements.

(b) Comprehensive general and public liability insurance including contractual liability, shall be obtained providing liability insurance against claims for personal injury, death or property damage, occurring on or about the Project Site, for at least a combined single limit for bodily injury, death and property damage liability of Two Million Dollars ($2,000,000.00) per occurrence.

(c) Worker's compensation insurance for all employees of MS Entities as required by Florida Statute 440.

(d) Automobile liability insurance covering all owned, non-owned and hired vehicles used in connection with the construction of the Improvements, in an amount not less than $300,000 combined single limit per occurrence for bodily injury and property damage.

(e) Any other insurance required by applicable law.

9.2 Responsible Companies. All insurance provided for in this Section 9 shall be effected under valid and enforceable policies issued by highly rated insurers of recognized responsibility which are licensed to do business in the State. All such companies must be rated at least "A" as to management, and at least "Class IX" as to financial strength according to Best's Insurance Guide, effective as of the date of this Agreement.

9.3 Named Insureds; Notice to County of Cancellation. All policies of insurance required by this Section 9 shall indicate as named or additional insured the MS Entities and the County, as their respective interests may appear. Notwithstanding any such inclusion, the parties hereto agree that any losses under such policy shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provisions of this Section 9. All insurance policies shall provide that no change, cancellation or

termination shall be effective until at least thirty (30) calendar days after written notice to the additional and named insureds.

9.4 Proof of Loss. Prior to completion of construction of the Improvements, whenever any part of the Improvements shall have been damaged or destroyed by fire or other casualty, the MS Entities shall promptly make proof of loss in accordance with the terms of the applicable insurance policies and shall promptly prosecute all valid claims which may have arisen against insurers or others based upon any such damage or destruction. The MS Entities shall promptly give the County written notice of any damage or destruction to the Improvements.

9.5 Builder's Risk Insurance Proceeds. All builder's risk insurance proceeds shall be promptly used, to the extent necessary, for the reconstruction of the Improvements, so that the Improvements shall be restored to a condition comparable to the condition prior to the loss or damage (hereinafter referred to as "**Reconstruction Work**").

9.6 Covenant for Commencement and Completion of Reconstruction. The MS Entities covenant and agree to promptly submit any claim for damage to the insurer, to promptly restore the Project Site to a neat, clean and orderly condition and to commence the Reconstruction Work as soon as practicable (after the insurance proceeds have been received), and to fully complete such Reconstruction Work as expeditiously as reasonably possible.

9.7 Waiver of Subrogation Rights. Anything in this Agreement to the contrary notwithstanding, County and the MS Entities each hereby waive any and all rights of recovery, claim, action, or cause of actions against the other, its agents, officers, directors, partners, investors, or employees, for any liability, loss or damage that may occur in, on, about or to the Project Site and/or the improvements from time to time existing thereon, or to any portion or portions thereof, or to any personal property brought thereon, by reason of fires, the elements or any other cause(s) which are insured against under the terms of valid and collectible insurance policies carried for the benefit of the party entitled to make such claim, regardless of cause or origin, including negligence of another party hereto, its agents, officers, directors, partners, investors, or employees; provided that such waiver does not limit in any way any party's right to recovery under such insurance policies, and provided further that the insurer pays such claims. The MS Entities shall obtain an endorsement to all of their insurance policies relating to or covering the Project Site, or any portions thereof, to effect the provisions of this Section 9.

10. Representations and Warranties.

10.1 MS Entities' Representations and Warranties. In order to induce the County to enter into this Agreement, the MS Entities make the following representations and warranties to the County, each of which shall survive the execution and delivery of this Agreement, and shall be and remain true and correct in all material respects at all times at least up to and until one (1) year after the issuance of the Acknowledgement of Final Completion for the Improvements:

(a) MSDD is a Florida corporation duly organized and validly existing under the laws of the State; MSTI is a Florida non-profit corporation duly organized and validly existing under the laws of the State; the MS Entities have full power and capacity to own their respective properties, to carry on their respective businesses as presently conducted, and to enter into the transactions contemplated by this Agreement.

(b) The MS Entities' execution, delivery and performance of this Agreement have been duly authorized by all necessary individual, partnership, corporate and legal actions and do not and shall not conflict with or constitute a default under any indenture, agreement or instrument to which the MS Entities are a party or by which the MS Entities or their properties may be bound or affected.

(c) Except as otherwise previously or concurrently disclosed to the County in writing, there are no actions, suits or proceedings now pending or (to the best of the MS Entities' knowledge) now threatened against or affecting the MS Entities or their respective property before any court of law or equity or any administrative board or tribunal or before or by any governmental authority, which could have a material adverse effect upon its ability to perform its obligations under this Agreement.

(d) This Agreement constitutes the valid and binding obligation of the MS Entities, enforceable against the MS Entities, and their successors and assigns, in accordance with their respective terms, subject to bankruptcy, insolvency and other similar laws affecting the rights of creditors generally.

(e) Neither MSTI nor MSDD is in default under any agreement by and between either such entity and the County, and the MS Entities are not delinquent with respect to any monetary obligation due and owing by either of the MS Entities to the County.

10.2 County's Representations and Warranties. In order to induce the MS Entities to enter into this Agreement, the County makes the following representations and warranties to the MS Entities, each of which shall survive the execution and delivery of this Agreement, and shall be and remain true and correct in all material respects at all times at least up to and until one (1) year after the issuance of the Acknowledgement of Final Completion for the Improvements:

(a) The County is a political subdivision of the State duly organized and validly existing under the laws of the State; the County has full power and capacity to own its respective properties, to carry on its respective business as presently conducted, and to enter into the transactions contemplated by this Agreement.

(b) The County's execution, delivery and performance of this Agreement has been duly authorized by all necessary legal actions and do not and shall not conflict with or constitute a default under any indenture, agreement or instrument to which the County is a party, or by which the County or the County's properties, may be bound or affected.

(c) Except as otherwise previously or concurrently disclosed to the MS Entities in writing, there are no actions, suits or proceedings now pending or (to the best of the County's knowledge) now threatened against or affecting the County or their properties before any court of law or equity or any administrative board or tribunal or before or by any governmental authority, which could have a material adverse effect upon its ability to perform its obligations under this Agreement.

(d) This Agreement constitutes the valid and binding obligation of the County, enforceable against the County, and its successors and assigns, in accordance with its terms, subject to bankruptcy, insolvency and other similar laws affecting the rights of creditors generally.

11. Public Benefit. It is recognized and agreed by the County that the benefits it is deriving as a result of its agreement to enter into this Agreement are both numerous and of great significance to the County and its residents. Among these benefits is the substantial reinvestment in the community by one of the oldest corporations in the County and a major employer of County residents. This reinvestment will result in, inter alia; the following tangible and intangible enhancements to the economy of the County: (i) significant improvement to the physical infrastructure along a critical portion of the

Miami River in the form of modern and decorative pedestrian river walkways, bulkheading, beautification and landscaping, and pedestrian observation areas; (ii) the modernization and refurbishment of the ship repair facilities of MSDD, which will enable it to continue its long standing tradition of job creation and concomitant enhancement of the County tax base, together with the provision of multi-generational career opportunities for the local workforce; (iii) the creation of a marine industry trade school to assist residents of the County in becoming proficient in a historical and critically important County industry, and which trade school will be accompanied by an interactive museum quality maritime exhibit, focusing on the history of activities along the shores of the Miami River; (iv) the creation of the Marine Law Enforcement Facility, better enabling law enforcement to have a more convenient and highly visible presence along a commercially active area of the Miami River; (v) the conversion of certain previously tax exempt County property to fully taxable private use property; (vi) the enhancement and expansion of economic activity in the County; (vii) the retention of activities conducive to economic promotion; (viii) the providing of a stronger, more balanced, and stable economy in the County; (ix) the enhancement and preservation of employment opportunities for the residents of the County; (x) the improvement of the welfare and competitive position of the County; and (xi) the facilitation of the growth and creation of business enterprise in the County. In light of the aforementioned tangible and intangible benefits, which will undoubtedly provide immeasurable positive direct and indirect externalities to the County and its residents, the County is hereby induced to enter into this Agreement.

12. Event of Default. The failure of any MS Entity or the County to perform its respective obligations under this Agreement shall result in an event of default under this Agreement Upon any such event of default it is agreed that upon the receipt of notice of default each such party in default (the "**Default Party**") shall have thirty (30) days within which to cure such default. If such default is not capable of being cured by such Default Party within such thirty (30) day period, the cure period shall be extended by the amount of time necessary to cure the default provided the Default Party is diligently prosecuting the cure of the default and further provided, the time period for cure of the default shall not exceed one hundred twenty days (120) from the occurrence thereof. In the event the Default Party fails to cure the default within the cure period set forth herein, the parties shall immediately be bound by the dispute resolution procedure set forth in Section 13.12 herein.

13. Miscellaneous Provisions.

13.1 No Permit. This Agreement is not and shall not be construed as a development permit, development approval or authorization to commence development, nor shall it relieve the MS Entities of their obligations to obtain necessary development approvals that are required under applicable law and under and pursuant to the terms of this Agreement.

13.2 Good Faith; Further Assurances; No Cost. The parties to this Agreement have negotiated in good faith. It is the intent and agreement of the parties that they shall cooperate with each other in good faith to effectuate the purposes and intent of, and to satisfy their obligations under, this Agreement in order to secure to themselves the mutual benefits created under this Agreement; and, in that regard, the parties shall execute such further documents as may be reasonably necessary to effectuate the provisions of this Agreement. Wherever in this Agreement a provision requires cooperation, good faith or similar effort to be undertaken at no cost to a party, the concept of no cost shall not be deemed to include any cost of review (whether legal or otherwise), attendance at meetings, hearings or proceedings and comment and/or execution of documents, all such costs to be borne by the party receiving a request to so cooperate, act in good faith or so forth.

13.3 Term of this Agreement. Except for those terms which expressly survive the termination of this Agreement, this Agreement shall terminate on the date which is ten (10) years following the date of this Agreement, which date may be extended by the parties with the consent of the County's Board of County Commissioners.

13.4 Omissions. The parties hereto recognize and agree that the failure of this Agreement to address a particular permit, condition, term, or restriction shall not relieve the MS Entities of the necessity of complying with the law governing said permitting requirements, conditions, term, or restriction notwithstanding any such omission.

13.5 No Broker. All of the parties hereto represent and warrant to the others that no real estate broker, salesman or finder was involved in this transaction, and each party fully indemnifies the others from any breach of the foregoing representation and any claim for brokerage commission that may be made because of such party's actions. The terms of this Section 13.5 shall survive the termination of this Agreement.

13.6 Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered by hand, sent by recognized overnight courier (such as Federal Express) or mailed by certified or registered mail, return receipt requested, in a postage prepaid envelope, and addressed as follows:

If to the County: Miami-Dade County
111 N.W. 1st Street, Suite 2910
Miami, Florida, 33128

	Attn: County Manager
With a copy to:	Miami-Dade County Attorney's Office 111 N.W. 1st Street, Suite 2810 Miami, Florida, 3312831 Attn: George Martinez-Esteve, Esq.
If to MSDD:	Merrill-Stevens Dry Dock Co. 1270 N.W. Eleventh Street Miami, Florida 33125 Attn: Mark Bailey, V.P.
With a copy to:	Greenberg, Traurig, P.A. 1221 Brickell Avenue Miami, Florida 33131 Attn: Clifford Schulman, Esq. Ralph B. Bekkevold, Esq.
If to MSTI:	Merrill Stevens Training Institute, Inc. 1270 N.W. Eleventh Street Miami, Florida 33125 Attn: Mark Bailey, V.P.
With a copy to:	Greenberg, Traurig, P.A. 1221 Brickell Avenue Miami, Florida 33131 Attn: Clifford Schulman, Esq. Ralph B. Bekkevold, Esq.

Notices personally delivered or sent by overnight courier shall be deemed given on the date of delivery and notices mailed in accordance with the foregoing shall be deemed given three (3) days after deposit in the U.S. mails. The terms of this Section 13.7 shall survive the termination of this Agreement.

13.7 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 the State. Additional information regarding radon and radon testing may be obtained from your county public health unit. [Note: this paragraph is provided for informational purposes pursuant to Section 404.056(7), Florida Statutes, (1993).]

13.8 Force Majeure. For the purposes hereof, "**Force Majeure**" shall mean and refer to any Act of God, earthquake, hurricane, flood, riot, war, order of civil or military or naval authority, fire, strikes, extraordinary weather conditions, labor disputes or any other course of events reasonably beyond Developer's control (provided, however, that the inability to fund any obligation shall never be deemed a "**Force Majeure**").

13.9 Construction.

(a) This Agreement shall be construed and governed in accordance with the laws of the State. All of the parties to this Agreement have participated fully in the negotiation and preparation hereof; and, accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.

(b) In construing this Agreement, the use of any gender shall include every other and all genders, and captions and section and paragraph headings shall be disregarded.

(c) All of the exhibits attached to this Agreement are incorporated in, and made a part of, this Agreement.

(d) All references to "days" in this Agreement shall be to calendar days unless otherwise specifically set forth.

13.10 Severability. In the event any term or provision of this Agreement be determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect, unless the term or provision materially alters the intent of either party in entering into this Agreement or materially frustrates the purposes intended hereby.

13.11 Dispute Resolution; Litigation. In the event of a dispute between the parties in connection with this Agreement, the parties shall agree to the selection of a impartial independent arbitrator, highly experienced in the subject matter of the dispute, in an effort to resolve the dispute prior to bringing any legal action in connection with such matter. The cost and expense of any arbitrator conducting such arbitration shall be shared equally by the parties. In the event such arbitration is unsuccessful, or in the event the parties cannot agree on the selection of an arbitrator after using commercially reasonable efforts, each party agrees that in any litigation between the parties under this Agreement for a breach hereof, the prevailing party shall be entitled to reasonable attorney's fees

and court costs at all trial and appellate levels. The terms of this Section 13.12 shall survive the termination of this Agreement.

13.12 Time of Essence. Time shall be of the essence for each and every provision hereof.

13.13 Entire Agreement. This Agreement, together with the documents referenced herein, constitutes the entire agreement and understanding among the parties with respect to the subject matter hereof, and there are no other agreements, representations or warranties other than as set forth herein. This Agreement may not be changed, altered or modified except by an instrument in writing signed by the party against whom enforcement of such change would be sought.

13.14 Early Entry. Provided that the MS Entities have obtained the liability insurance required by Section 9 hereof, the MS Entities, and the MS Entities' agents and contractors shall have the right during the term of this Agreement to enter upon the Project Site, at reasonable times and with the prior written consent of the County (which shall not be unreasonably withheld, delayed or conditioned), for purposes of inspection and investigation, including making tests and studies thereon. If MS Entities request, and the County allows the MS Entities to enter upon the Property for any purposes involving clearing, excavation and/or construction, which the County is not obligated to do prior to satisfaction of the applicable conditions precedent set forth in Section 7, the MS Entities shall be required to have obtained all of the insurance required by Section 9. The MS Entities agree to indemnify, defend and hold harmless the County from and against all liabilities, damages, claims, costs, fees and expenses whatsoever (including reasonable attorney's fees and court costs at trial and all appellate levels) arising out of or resulting from any such inspection or investigation. Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section shall survive any cancellation or termination of this Agreement (or any portion hereof).

13.15 Third Party Beneficiary. The parties acknowledge and agree that there are no third party beneficiaries under this Agreement.

13.16 Successors and Assigns. This Agreement shall bind all successors and assigns of the County and the MS Entities and shall inure to the benefit of all such successors and/or assigns.

[Remainder of Page Intentionally Left Blank]

EXECUTED as of the date first above written in several counterparts, each of which shall be deemed an original, but all constituting only one agreement.

COUNTY

MIAMI-DADE COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS

Attest:_____
County Clerk [SEAL]

By:_____
County Manager (or designee)

MS ENTITIES:

MERRILL-STEVENS DRY DOCK CO.,
a Florida corporation

_____
Print Name:_____

By:_____
Name:_____
Title:_____

_____
Print Name:_____

MERRILL-STEVENS TRAINING INSTITUTE, INC.,
a Florida non-profit corporation

_____
Print Name:_____

By:_____
Name:_____
Title:_____

_____
Print Name:_____

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this __ day of _____, 2007 by _____ as _____ of MERRILL-STEVENS DRY DOCK CO., a Florida corporation, on behalf of the corporation. He/she personally appeared before me, is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
Notary Public, State of Florida
My commission expires: _____

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this __ day of _____, 2007 by _____ as _____ of MERRILL-STEVENS TRAINING INSTITUTE, INC., a Florida not-for-profit corporation, on behalf of the corporation. He/she personally appeared before me, is personally known to me or produced _____ as identification.

[NOTARIAL SEAL]

Notary: _____
Print Name: _____
Notary Public, State of Florida
My commission expires: _____

SCHEDULE OF EXHIBITS

Exhibit A	Project Site
Exhibit B	County Deed
Exhibit C	Construction or Use Easement
Exhibit D	Master Site Plan

weg The Washington Economics Group, Inc.

THE ECONOMIC DEVELOPMENT IMPACTS OF MERRILL STEVENS COMPREHENSIVE REVITALIZATION OF THE MIAMI RIVER THROUGH THE MODERNIZATION AND EXPANSION OF ITS DRY DOCK SHIP REPAIR FACILITIES

Prepared for:

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May 30, 2006

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I. EXECUTIVE SUMMARY

- The Merrill-Stevens proposed development of a new state-of-the-art mega-yacht repair and retrofitting facility on the Miami River is a comprehensive project of State and local economic development importance.

- There are a number of key qualitative and quantitative factors making the Merrill-Stevens planned expansion of significant importance to Florida:

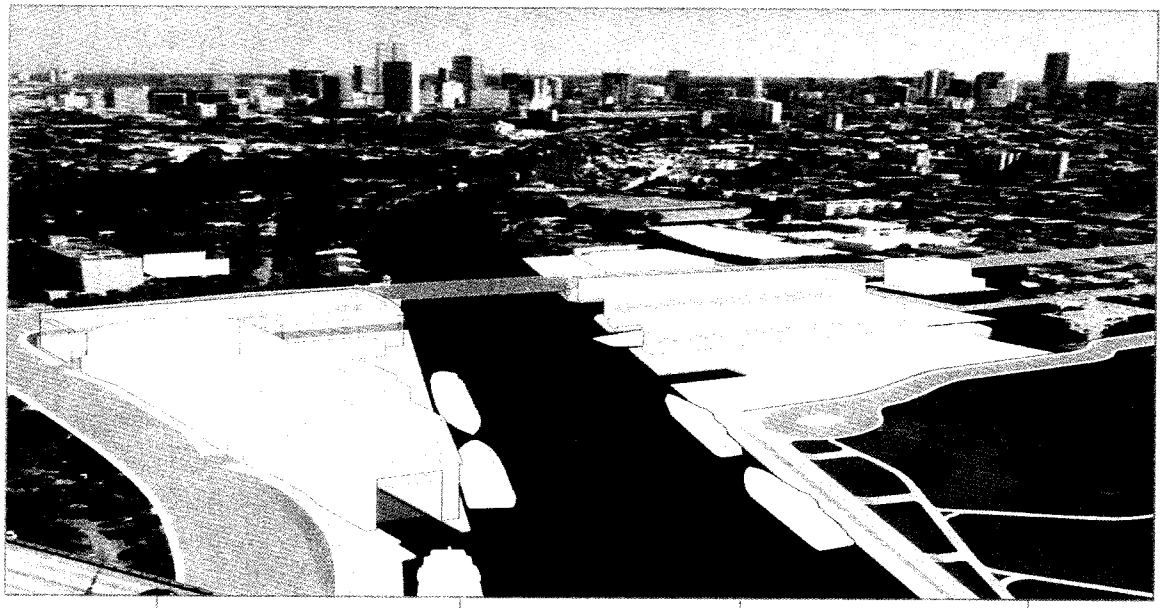
  - The project will revitalize the Miami River, a key artery of commerce of Miami and the State, while also creating high-wage jobs.
  - The state-of-the-art, environmentally friendly facility, will make South Florida and the State the mega-yacht maintenance and repair hub of the Americas, with significant and recurring impacts on business activity, labor income and attraction of visitors.
  - The proposed project supports the economic development strategy of Miami-Dade County and Florida by creating a high value-added/high-wage industry that strengthens the State's comparative advantage in the marine industry.

- The estimated $55 million proposed investment by Merrill-Stevens generates quantitative economic impacts in two distinct phases:

  Phase I is the multiyear development phase, where the planned investments in facilities and supporting infrastructure create positive economic impacts on the generation of jobs, labor income, economic output and public revenues.

  Phase II, once the planned facilities and infrastructure improvements have been completed, the project starts to generate recurring economic impacts every year, improving economic opportunities and the standard of living of Floridians. This is the recurring economic impacts phase of the planned development. Among key beneficiaries are the visitor and hospitality industries as the mega-yacht facility attracts crews and high net worth owners of the vessels to Miami-Dade and Florida.

- The important qualitative and quantitative benefits of the proposed Merrill-Stevens expansion are graphically presented in the next page. The graphic illustrates the likely overall impacts of the planned facilities.



Strengthening Miami and Florida's "brand" as Business Center of the Americas

Development of high-wage, high value-added industry for Miami-Dade and Florida

Expansion of marine industry in accordance with factor endowments of Miami River

Important quantitative impacts on labor income, employment, output and fiscal revenues

The quantitative economic impacts from the capital expansion (Phase I) and its ongoing activities, when fully operational (Phase II), are summarized below. These estimates were prepared with the assistance of Merrill-Stevens, utilizing conservative expenditure assumptions and professionally accepted *input-output* methodologies.

Summary of Quantitative Economic Impacts

Phase I (development of facilities & related infrastructure)

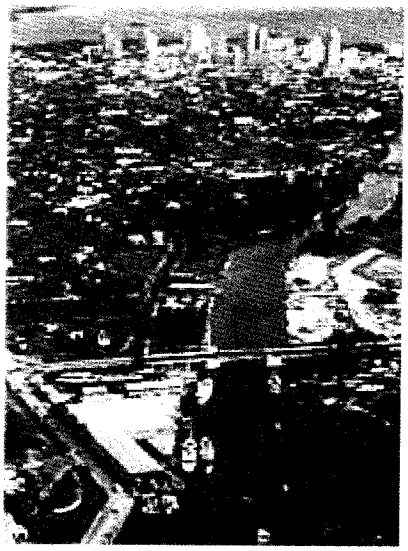
- Over 1,090 jobs created
- Additional $41 million in labor income
- $3 million in state and local revenues generated
- Total economic impact estimated at $100 million

Once completed and fully operational (Phase II), **the economic impact benefits are significant as they occur each year that the new facilities are operational**

Phase II (annual recurring phase)

- 1,880 jobs permanently created, paying significantly above the average local wage
- $69 million in labor income generated each year
- $8 million annually in state and local government revenues
- $195 million in total annual economic impact

II. THE ECONOMIC DEVELOPMENT IMPORTANCE TO FLORIDA AND MIAMI-DADE OF THE MERRILL-STEVENS MIAMI RIVER PROJECT: CONCEPTUAL FRAMEWORK



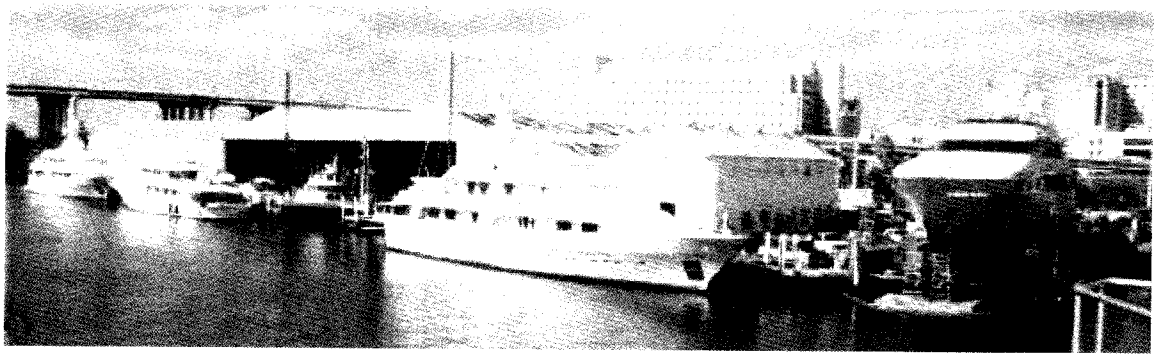
A. Background

Merrill-Stevens was founded in 1885. It is Florida's oldest, continuously operating corporation, with a significant and positive track record of civic and business involvement on the Miami River. The Company specializes in marine services to the boating (yachts and mega-yachts) industry. Its operations are located along the Miami River, in the City of Miami, where it began to operate in 1923. Hugh and Carole Westbrook acquired Merrill-Stevens in 2004, and in 2005 the company bought Bradford Yacht Sales in Ft. Lauderdale, expanding its business to Broward County. In addition to sites in Miami and Ft. Lauderdale, Merrill-Stevens has a sales office in San Diego, California.

The capabilities of the current facility on the Miami River include: haul-out and launch facilities for yachts up to 500 tons, repair, refit and painting services. To remain competitive, however, Merrill-Stevens is proposing a comprehensive expansion project to serve the growing needs of its clientele for repair and retrofitting of larger mega-yachts. The planned expansion will positively impact the economic revitalization of the River and surrounding communities. The project is a high value-added, high-wage, development that would bring significant economic opportunities to Miami and Florida residents in an environmentally sound manner.

The state-of-the art facility will support the economic development strategies of the City of Miami, Miami-Dade County and the State, while serving to revitalize the Miami River – a critical economic engine of South Florida and the State. In essence, it will strengthen the competitive advantage of Florida marine industry activities.

B. The Proposed Project is of Local and State Significance



Merrill-Stevens is proposing a large $55 million investment to expand and modernize its Miami River facility and the surrounding infrastructure. The proposed new investment will become a state-of-the-art shipyard, able to paint, refit and repair vessels up to 250-feet in length and offer an expanded scope of services to its clients. The modern facility will be an asset to Miami-Dade County and to the Miami River's revitalization.

The expansion and modernization that Merrill-Stevens is proposing for its Miami River facility will allow the Company to meet its clients' yacht maintenance and repair needs well into the 21st Century. This state-of-the-art, environmentally friendly and capital-intensive facility will make Miami and the River the mega-yacht maintenance and repair center of the Americas, with positive impacts on labor income, business activity and visitor attraction. It would also strengthen Miami's "brand" as the Business Center of the Americas by modernizing a key industry with global reach.

Through the expansion and modernization, Merrill-Stevens will become the premiere provider of mega-yacht services in the Americas, creating economic opportunities for residents and industries of Miami-Dade, South Florida and the State.

Merrill-Stevens' proposal also includes the creation of a training center in the new expanded facility with several ramifications. The training center will act as a school for its expanding workforce, with its main focus being the marine arts and trades. Initially, the training center will serve to meet the needs of Merrill-Stevens by providing existing workers with new skills and training new employees as the workforce expands. In essence, it will create a higher productivity workforce. The training center will also include a museum, which will house artifacts found at the site as well as machines and tools used in prior years for shipbuilding and ship repair. It will showcase the Miami River and its growth since the early 20th Century as well as the history of Merrill-Stevens.

In addition, the expansion plans also include allowing visitors to view mega-yacht repairs and operations through an observation walkway that will be part of the Miami River walk. **The new facility, the museum and the walk way will anchor the Miami Riverwalk along this section of the river and serve as a tourist attraction for South Florida visitors, stimulating the visitor and hospitality industries.**

The economic development impacts of the Merrill-Stevens' project are significant to the River, the City, Miami-Dade County and the State. The project will provide high-wage job growth for residents of Miami-Dade County. **Approximately 400 new high-paying jobs will be directly created as the new facility reaches full operations. The average salary for these workers is estimated to be approximately $48,000 per year, well above the County's current average wage of $30,221.** The jobs impact, when including *indirect* and *induced* employment, is much greater than the *direct* jobs as will be presented in the next section of the study.

Merrill-Stevens' comprehensive development will also complement the missions of both the Beacon Council, Miami-Dade's economic development entity, and the Greater Miami Convention & Visitors Bureau, which promotes the visitor industry. Merrill-Stevens proposed new facility will be the only one of its kind in Florida, bringing new, high net worth owners of mega-yachts and their crews to Miami for extended visits while their yachts are being serviced, creating a positive economic impact for the visitor and related industries.

The expenditures of the crews that work on the mega-yachts will positively impact the hotel, entertainment and hospitality industries of the City and the County. Mega-yacht visits to Merrill-Stevens will range from six weeks to six months. During this time, crewmembers will likely stay at local hotels, dine in local restaurants, and patronize entertainment venues throughout the County. The steady stream of spending provided by crewmembers yields a positive net effect on the visitor industry. Furthermore, the state-of-the-art facility will also attract the high net worth owners of the mega yachts to the community, positively impacting the high-end visitor market and other industries that service high net worth individuals like private banking and real estate services. In essence, there are significant "externality benefits" generated by the project, beyond the quantification of economic impacts created by the project's expansion and operations.

At the State level, Enterprise Florida's (EFI) mission is to diversify the State's economy and create high-paying jobs for Floridians by supporting, attracting and helping to create businesses in innovative, high-growth industries. Enterprise Florida's goal is to deepen

the role of the State as the "Innovation Hub of the Americas." The Institution also has as an objective the facilitation of the international business expansion by Florida-based firms, in essence, solidifying Florida as the premier business center of the Americas, with Miami-Dade County as the State's leading global hub. Therefore, **Merrill-Stevens' proposed facility would make a positive contribution to the State's domestic and global economic development strategy**. The facility will be the only high value-added vessel service facility of its kind on the east coast of the U.S., solidifying Florida's preeminent position for the growing mega-yacht servicing industry. The facility will further contribute to the diversification of Florida's innovation economy and help to strengthen the State's competitive position as the Business Center of the Americas.

Table 1 highlights some of the key indicators that demonstrate the **direct positive impact of the Merrill-Stevens project on the economy of Miami, the County and the State**. A more detailed analysis of the quantitative economic impacts, including indirect and induced impacts, is provided in the next section of the study.

Table 1. Merrill-Stevens Direct Employment and Wages of Proposed Expansion

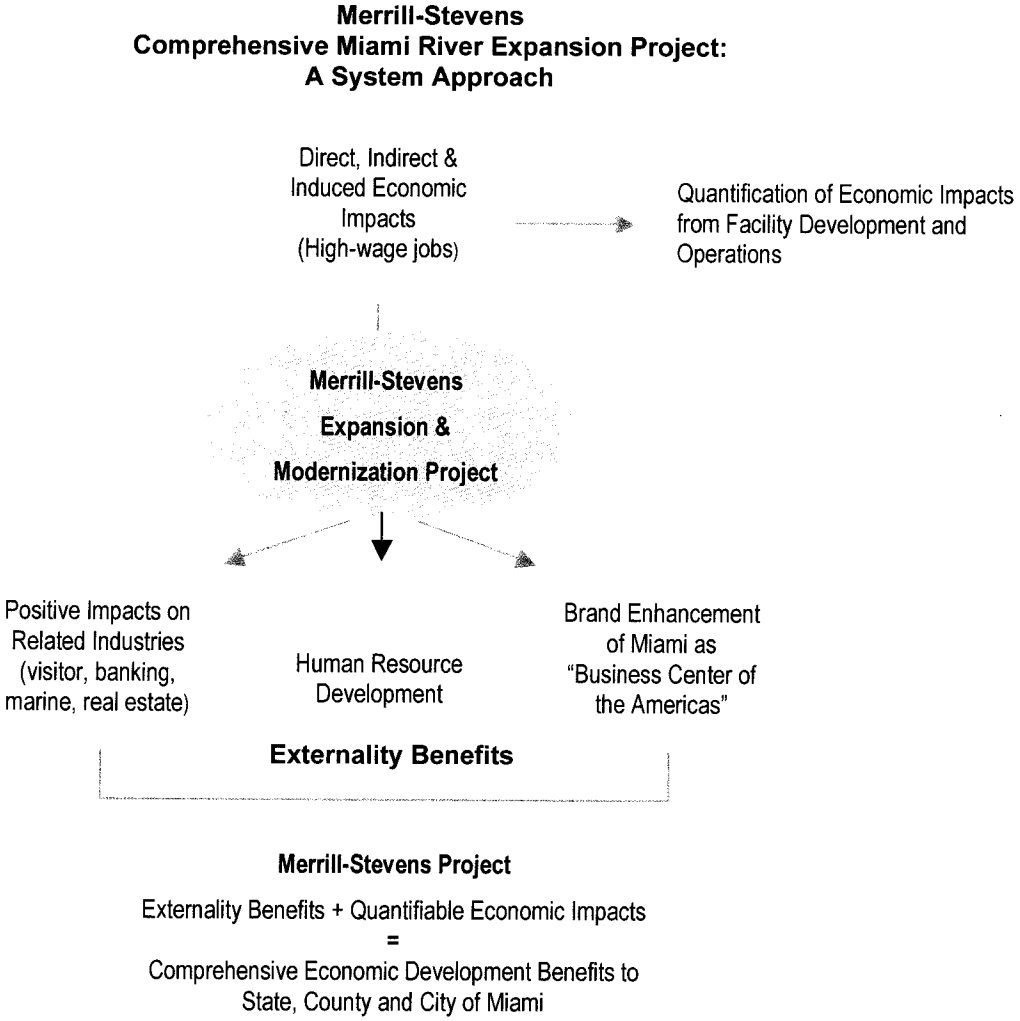
	At Present	*Projected*	*Percent Increase*
Total number of employees	100	500	400%
Average annual wage	$38,565	$48,450	26%
Average annual wage as a percentage of Miami-Dade County average ($30,221/year)	128%	160%	

Source: Merrill-Stevens, Preliminary

In conclusion, the significant expansion of Merrill-Stevens' facilities along the Miami River, given its proposed size, scope, high value-added and training components, generates impacts beyond a traditional economic project. It is, in essence, a key element in the comprehensive redevelopment of the Miami River, which is a critical asset of Miami-Dade County, the South Florida region and the State. The new state-of-the-art facility, with an associated training center, modern visitor viewing venues and high value-added jobs, is vital to the revitalization of the River, while at the same time also supporting the economic development strategies of the City, Miami-Dade County and the State.

The comprehensive and positive economic development impacts of the Merrill-Stevens' Miami River revitalization project are summarized in the illustration that follows. The graphic presents in a systemic fashion both the important quantitative impacts of the project and also the "spillover" (externality) benefits to related industries, human resource development and "brand" enhancement of Miami as the premier Business Center of the Americas.

Merrill-Stevens' planned expansion serves the "public purpose" by creating a high value-added, high-wage industry, closely aligned with the marine character of the River and also supportive of the economic development strategies of the State, Miami-Dade County and the City of Miami.



III. THE ECONOMIC IMPACTS OF MERRILL-STEVENS PROPOSED NEW MIAMI RIVER STATE-OF-THE ART FACILITY AND RELATED INFRASTRUCTURE

The proposed development and operation of Merrill-Stevens mega-yacht facility and related infrastructure generate significant quantifiable economic impacts that add to the externality benefits presented in the prior section. These impacts, estimated by utilizing professionally accepted and widely used methodology, result in statewide and local increases in high-wage employment, labor income, output and public revenues.

The expected $55 million investment associated with the comprehensive development of the new Miami River facility and the on-going activities that will occur once construction is completed and the facility is fully operational will generate economic impacts that extend beyond those **directly** related to the construction and on-going business activities. These "spillover" or multiplier impacts are the result of each business activity's supply relationships with other firms operating within the region and the State, the proportion of business value added[1] that accrues to households in the form of labor and capital income, and the propensity of households to spend income on goods produced within the local area.

Methodology

Economic models that explicitly account for inter-industry linkages (supply relationships), the generation of labor and capital income and the spending of household income have been used since the 1960's to estimate the contribution that a particular business or industry makes to the general economy. These "input-output" models recognize that, as an industry experiences an increase in the demand for its products or services, it in turn needs more goods and services from its suppliers and must increase its purchases from other industries in the economy. The effect on regional production resulting from successive rounds of inter-industry linkages is referred to as the *indirect effect.* The resulting increases in regional production also lead to expansions in employment and labor income, and the increases in labor income lead to increases in consumer spending, further expanding sales and production throughout the regional economy. The latter economic impacts are referred to as the *induced effects.* The successive waves of production, spending and more production result in *economic multiplier effects*, where the final or total increase in regional production, income and employment, respectively, is larger than the initial (or "direct") increase in production, income and employment. The total quantitative economic contribution of Merrill-Stevens project, therefore, is comprised of a *direct effect*, an *indirect effect* and an *induced effect.*

[1] "Value added" refers to the difference between business revenues and the cost of non-labor and non-capital inputs used to produce goods and/or services.

The Minnesota IMPLAN Group, Inc. (MIG) provides the software and basic data needed to formulate the economic multiplier model developed for this study. MIG has been providing economic multiplier models for regional economic impact analysis since 1985[2]. **Models developed using IMPLAN software have been widely used by private sector and academic economists and by federal, state and local government agencies**. The Washington Economics Group, Inc. (WEG) IMPLAN model for the State and region is based on the latest U.S. input-output tables as well as income and employment data for Florida from the U.S. Department of Commerce.

The *direct impact* of the construction of Merrill-Stevens' new Miami River facility is comprised of all the investments associated with project development, final design, construction and property acquisition, excluding amounts paid to purchase the land. With the assistance of the Merrill-Stevens management team, WEG obtained information on estimated expenditures for each phase of the project. During the course of the construction of the new facility, Merrill-Stevens expects to invest $55 million on all phases of the project. As currently envisioned by Merrill-Stevens, the proposed development will occupy about 5 acres of land located on both the north and south banks of the Miami River just west of 12th Avenue. During the course of project construction Merrill-Stevens existing facilities (some of which date from the 1920's) will be removed, and new state-of-the-art, environmentally friendly facilities will be constructed in their place. The repair facilities located on the north bank of the Miami River will utilize a state-of-the-art shiplift and transfer system to bring vessels up to 250-feet in length into the facility for repairs. Additionally, two new service piers and elevated sections of the Miami River Riverwalk will be built on the north and south sides of the river. On the north side the main building will contain provisions for the Miami River Riverwalk to pass alongside and through the building, giving pedestrians an opportunity to observe vessels undergoing repairs. The facilities on the south bank of the Miami River will be redesigned to improve shipyard capacity and facilitate workflow. Plans also call for the construction of buildings to house executive and administrative offices, workshops, a shipyard-training center and a maritime exhibit.

The capital projects phase of a project of this magnitude draws on resources throughout the State and creates economic impacts that reach beyond the boundaries of the City of Miami and Miami-Dade County. To properly measure the principal impacts of this comprehensive project, the *direct, indirect* and *induced* economic impacts of the proposed Capital Project Phase expenditures were calculated using an extended input-output model of the Florida economy. These comprehensive economic impacts are summarized in Table 2.

[2]Information on the IMPLAN Group models and the company history can be found at www.mig-inc.com.

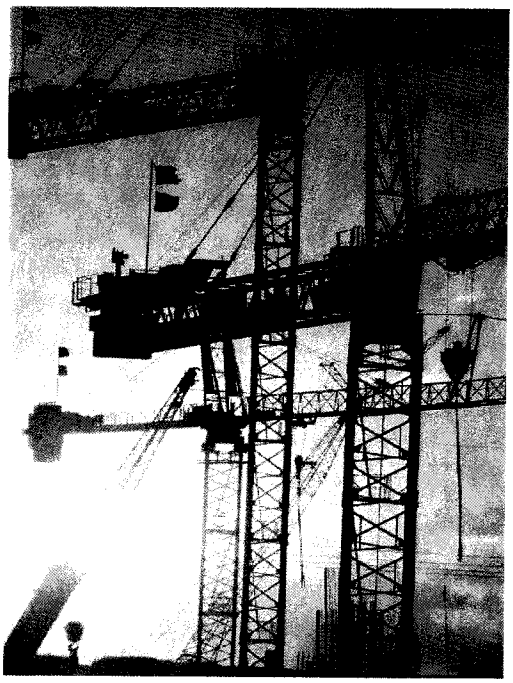
Table 2. Phase I-Summary of Capital Project Economic Impacts of Merrill-Stevens Proposed New Facility

Impact on:	*Direct*	*Indirect & Induced*	*Total Impact*
Employment (Jobs)	642	452	1,094
Labor Income ($ Mill.)	25	16	41
Value Added ($ Mill.)	26	27	53
State & Local Tax Revenues ($ Mill.)	-------	-------	3
Total Economic Impact ($ Mill.)	***55***	***45***	***100***

Source: The Washington Economics Group, Inc.

A more detailed analysis of quantifiable economic impacts for Phase I on employment, labor income, value added, total economic output and public revenues is presented in the sections that follow.

A. Phase I: Employment Impacts from Construction of the Proposed Facility Supports Over 1,090 Jobs



Over 1,090 jobs for Florida residents result directly or indirectly from the proposed construction of the facilities and support infrastructure. This is summarized in Table 3. During Phase I, the project directly creates 642 jobs in the Construction and related Manufacturing sectors. However, **its indirect and induced job creation process reaches deeply into all sectors of the economy**. This dramatically and quickly demonstrates the close supply inter-relationships that the construction sector has with all of the other sectors of the economy. An additional 151 jobs are supported via indirect economic effects (mostly suppliers to the project). Lastly 301 jobs are generated from induced spending effects. **Therefore, the total number of jobs, directly, indirectly and induced supported by the proposed expansion is estimated at 1,094 – making a significant contribution to employment opportunities in Miami-Dade and Florida.**

Table 3. Phase I-Jobs Created by Merrill-Stevens Proposed New Facility

Industry	*Total* Impact*
Government & Other	15
Construction	594
Manufacturing	69
Wholesale Trade & Transportation Services	51
Retail Trade	73
Knowledge-Based Services	250
Visitor Industry	42
Total:	***1,094***

*/Total number of jobs created by industry category (*direct, indirect* and *induced*). Detail in Table A-2.
Source: The Washington Economics Group, Inc.

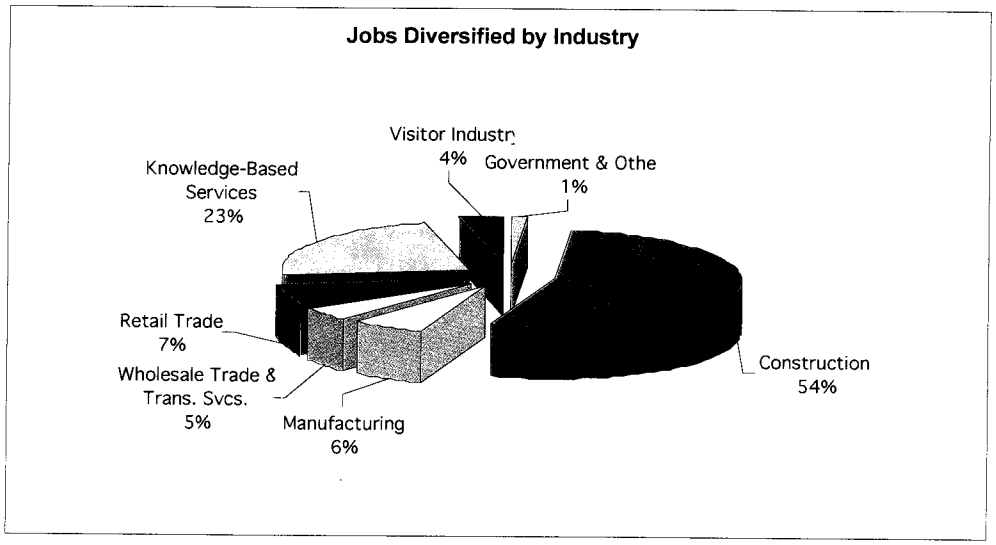


Figure 1

Employees supported by the total economic impact of the proposed development are found in a wide variety of industries and represent a broad spectrum of occupations. Fifty-four (54) percent of the total jobs created are in the Construction Industry, 23 percent are in the Knowledge-Based Services Industries, and 7 percent are in the Retail Trade Industry. The remaining jobs (16 percent of the total) are spread throughout other areas of the economy. Therefore, once underway, the construction of the proposed facility will become an important provider of job opportunities in a wide variety of occupations as shown in Figure 1 above.

B. Generation of Labor Income: The Proposed Facility Contributes to Florida's Standard of Living

The development and construction of the proposed facility is also an important generator of labor income for workers and is quantified in Table 4. **In addition to the $25 million of labor income directly generated by the proposed development, $16 million of labor income, or 39 percent, is created by indirect and induced economic activities. In total, Merrill-Stevens' new facilities will generate $41 million in labor income during the construction phase**. An estimated $22 million, or 55 percent of the total, results from construction-related activities. Knowledge-Based Services comprise $9 million, or 22 percent of the total labor income impact. The remaining $9 million, or 23 percent of labor income is generated in other industries of the Florida economy. Figure 2 presents the percentage of labor income in each industry category.

Table 4. Phase I-Labor Income Resulting from Merrill-Stevens Proposed New Facility
($ in Thousands)

Industry	*Total Impact*
Construction	22,360
Knowledge-Based Services	9,106
Manufacturing	3,267
Wholesale Trade & Transportation Services	2,436
Retail Trade	1,835
Government & Other	846
Visitor Industry	721
Total:	***40,571***

Source: The Washington Economics Group, Inc. Detail in Table A-3.

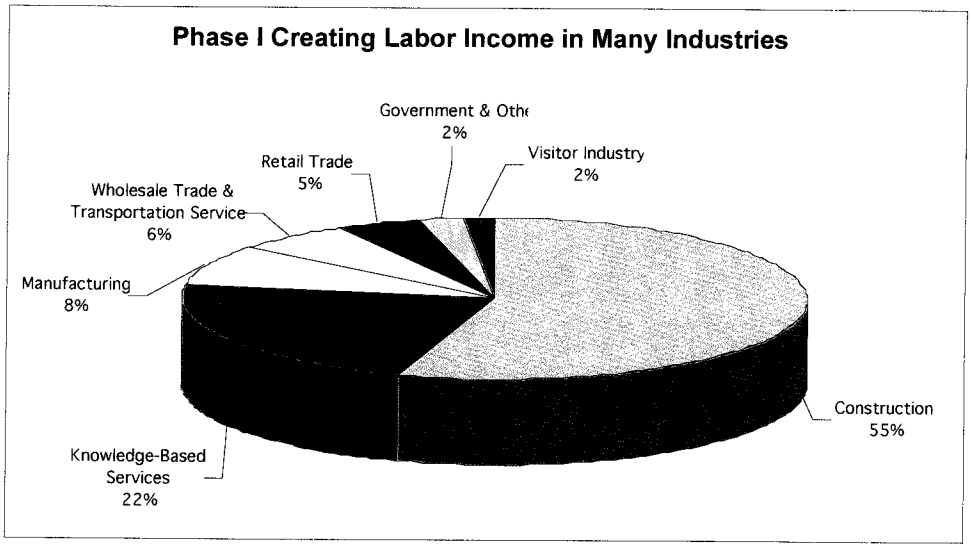


Figure 2

C. *The Proposed Development's Value-Added Impacts: Significant for State and Local Productivity During Phase I*

Value added is the portion of business revenues that is available to pay compensation to workers, capital income and indirect business taxes[3]. Value added is also the principal source of income to households and a key measure of the proposed facility's contribution to the economy. Table 5 highlights the value-added impacts generated by the proposed development, which creates a net contribution to the economy of over $53 million. By this measure, the Merrill-Stevens facility supports the drive to create a high value-added, high-wage economy in Florida and Miami-Dade. The greatest value-added impacts are generated in the Construction Industry where $23 million, or 45 percent, of the total is created. Knowledge-Based Services generate $13 million, or 24 percent, followed by other sectors such as Wholesale Trade, Manufacturing and Government & Other.

Table 5. Phase I-Capital Project Value-Added Created by Merrill-Stevens Proposed New Facility ($ in Thousands).

Industry	*Total Impact*
Construction	23,734
Knowledge-Based Services	12,967
Government & Other	4,613
Wholesale Trade & Transportation Services	3,983
Manufacturing	3,862
Retail Trade	3,038
Visitor Industry	941
Total:	***53,137***

Source: The Washington Economics Group, Inc. Detail in Table A-4.

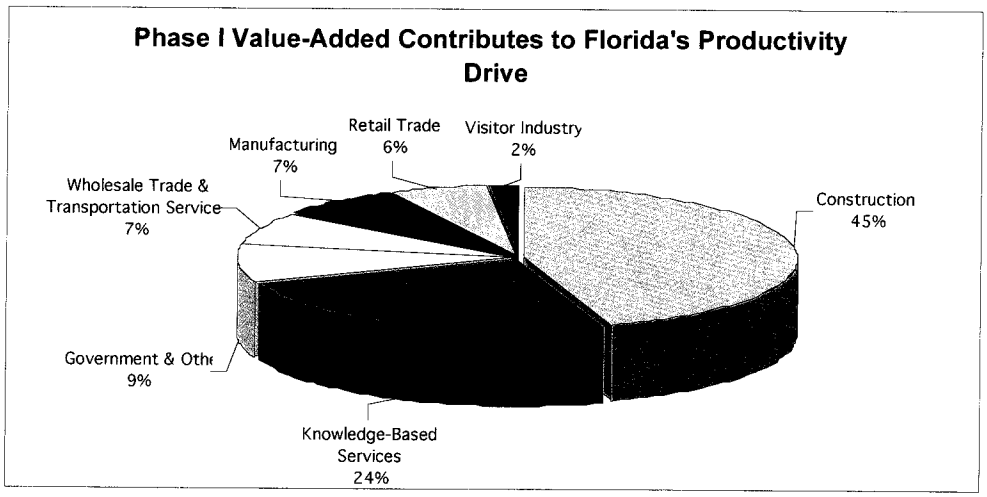


Figure 3

[3] Aggregate value-added also includes compensation to government workers.

D. *Phase I Total Economic Impact is a Significant $100 Million: Important for Florida and Miami-Dade*

A comprehensive measure of total economic impact is *Gross Economic Output*, representing the sum of gross revenues (receipts) of private firms plus the value of government services (valued at cost). Table 6 highlights the total economic impact of the proposed facility during Phase I, estimated at $100 million. An important portion of the total economic impact occurs in the Construction and Knowledge-Based Services representing 46 percent and 22 percent of the total, respectively. Many other industries also benefit. Outside of these two industries, the economic impact is very evenly distributed. All sectors are positively impacted, and the impacts range between 2 and 13 percent of the total impact.

Table 6. Phase I-Total Economic Impact Created by Merrill-Stevens Proposed New Facility ($ in Thousands)

Industry	*Total Impact*
Construction	45,332
Knowledge-Based Services	21,634
Manufacturing	13,432
Government & Other	6,271
Wholesale Trade & Transportation Services	6,155
Retail Trade	4,041
Visitor Industry	1,829
Total:	***100,000***

Source: The Washington Economics Group, Inc. Detail in Table A-1.

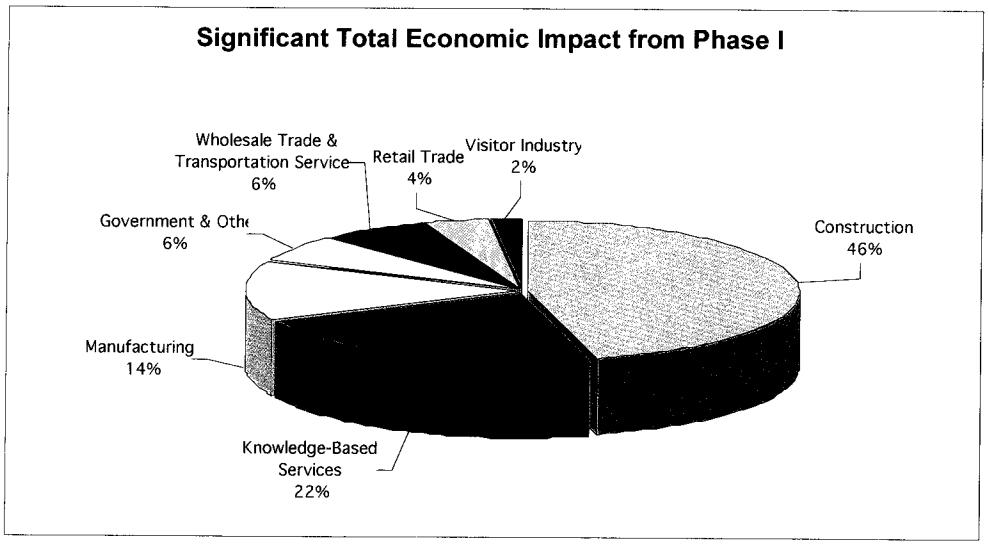


Figure 4

E. The Proposed New Facility's Development Contributes to Public Revenues

Phase I activities result in increases in government revenues for federal, state, and local entities in Florida (Table 7). **Over $8 million of total fiscal revenues result from this phase**. Of this total, $5 million, or 62 percent, flow to the federal government, with the remaining $3 million, or 38 percent, of tax revenues allocated to State and local governments.

Table 7. Fiscal Contributions* of Merrill-Stevens Proposed New Facility
($ In Millions)

Taxes Paid By	*Federal Taxes*	*State/Local Taxes*	*Total Taxes*
Labor	$ 4.1	$ 0.1	$ 4.2
Capital	0.2	-----	0.2
Households	0.1	0.3	0.4
Corporations	0.4	0.3	0.7
Indirect Business Taxes	0.3	2.6	2.9
Total:	***$5.1***	***$3.3***	***$8.4***

*Includes taxes resulting from direct, indirect, and induced activities
Source: The Washington Economics Group, Inc.

F. Phase II: Recurring Annual Impacts after Facility Becomes Fully Operational are Significant for Florida and Miami-Dade

After Phase I is completed and Merrill-Stevens' new facility is operational, economic benefits will start to be generated from the ongoing business activities. These will take several forms, including:

- Payroll and other income generated by factors of production related to facility operations.
- Expenditures by owners to have repairs and other work performed on their vessels in the new Miami River facility.
- Travel and entertainment expenditures by mega-yacht crews while their ships are undergoing repair in the facility.
- Travel and entertainment expenditures by high net worth mega-yacht owners or their representatives when they visit South Florida.
- Expenditures for food, beverages, fuel and other supplies to provision the vessels following the completion of repairs and other work.

These activities will create additional jobs and economic opportunities for Florida and Miami-Dade on an annual basis. Based on the plans for the facility provided by Merrill-Stevens and conservative figures of levels of activity that can be expected in the new facility, the study estimates that the following recurring *direct* impacts will occur:

Recurring Direct Economic Impacts from New Facility Operations

- Merrill-Stevens estimates that when the new facility is completed and operating at capacity, revenues will be in the area of $90 million per annum, and that approximately 40 percent of the yard's activities will be focused on the repair of "mega-yachts". The complex on the north bank of the Miami River has been designed specifically to meet the repair requirements of these very large and unique watercraft. Frequently, when these vessels are brought to the facility, it is for extensive repairs and other work preformed at the same time.

- During the time that these mega-yachts are being repaired, their crews live in the community, effectively becoming "tourists" in Miami while they wait for the work to be completed. During this time, the crewmembers make expenditures for the full range of visitor activities: lodging, meals, transportation, entertainment and shopping. Crew expenditures were estimated using the Greater Miami Convention and Visitors Bureau 2005 Visitor Profile.

- When the work on the vessel is completed, and before the ship leaves for its next destination, the vessel is re-provisioned, and large quantities of fuel, food, beverages and other supplies are purchased[4].

- Frequently during this repair process the vessel's high net worth owner, or his/her representatives will travel to Miami to meet with Merrill-Stevens personnel to discuss and review the work being performed[5].

- Merrill-Stevens estimates that the remaining 60 percent of the facility's revenue will come from work on other smaller yachts and watercraft.

[4] Estimates of these provisioning expenditures were provided to WEG by Merrill-Stevens.
[5] Estimates of local expenditures by this high-income visitor group were provided to WEG by Merrill-Stevens.

Utilizing the same methodology of Phase I, in addition to the *direct* economic impacts discussed above, *indirect* and *induced* economic impacts of the recurring expenditures from increased economic activity brought about by the completion of the project were calculated using an extended input-output model of the Florida economy. These comprehensive *direct, indirect* and *induced* economic impacts that recur every year are summarized in Table 8.

The total recurring (annual) economic impacts are important to overall economic growth and well-being of Florida and Miami-Dade. An estimated 1,880 jobs for State and area residents are permanently created by the Merrill-Stevens new facility. The analysis that follows presents specific categories of the economic impacts summarized in Table 8, starting with permanent employment creation.

Table 8. Summary of Annual Recurring Economic Impacts Generated by Merrill-Stevens New State-of-the Art Facility Once Operational

Impact on:	*Direct*	*Indirect & Induced*	*Total Impact*
Employment (Jobs)	1,065	815	1,880
Labor Income ($ Mil.)	39	30	69
Gross State Product (Value Added $ Mil.)	50	51	101
State & Local Tax Revenues ($ Mil.)	-------	-------	8
Total Economic Impact ($ Mil.)	110	85	195

Source: The Washington Economics Group, Inc.

G. *Employment Impacts: Merrill-Stevens New Facility Creates 1,880 Permanent Jobs*

The number of jobs created by the new facility is summarized in Table 9. Of the 1,880 jobs generated by the activities in the new facility, 41 percent are in Knowledge-Based Services Industries, and 24 percent are in Manufacturing. **These two broad economic sectors are emphasized for growth by Florida and Miami-Dade economic development entities as they are high-wage occupations**. The remaining jobs are in Retail Trade, the Visitor Industry and a range of other occupations.

Table 9. Permanent Jobs Created by Merrill-Stevens New Facility are Estimated at 1,880 Positions

Industry	*Total Impact*
Knowledge-Based Services	773
Manufacturing	458
Retail Trade	280
Visitor Industry	220
Wholesale Trade & Transportation Services	98
Government & Other	40
Construction	11
Total:	***1,880***

Source: The Washington Economics Group, Inc. Detail in Table A-6.

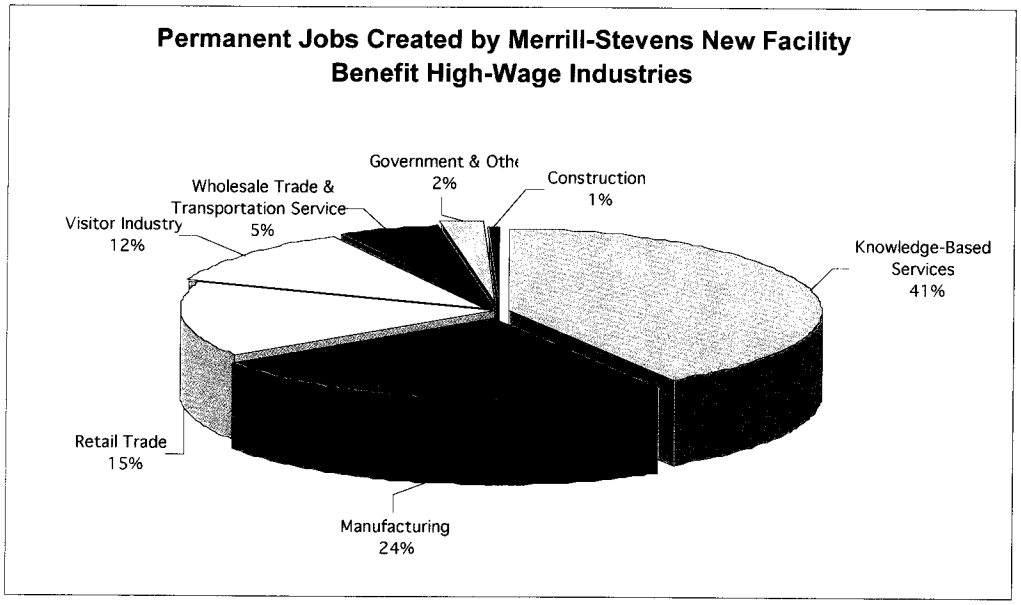


Figure 5

Employees supported by the recurring economic activities in the proposed development are found in a wide variety of industries and represent a broad spectrum of occupations as shown in Figure 5.

Once completed and fully operational, Merrill-Stevens' facilities development will become an important provider of job opportunities in high-wage occupations.

H. *Generation of Recurring Labor Income: The New Facility Creates Jobs that Contribute to the Standard of Living of Florida and Miami-Dade*

The completion of the new facility will result in annually recurring opportunities that will be important generators of labor income for Florida residents. Many of the jobs will be in sectors that pay above-average wages for both the area and the State, as quantified in Table 10. In addition to the $39 million of Labor Income directly generated each year by the activities in the completed development, $30 million of Labor Income, or 43 percent, is created by indirect and induced economic activities. **In total, the proposed facility will generate almost $69 million in Labor Income each year once it is completed and fully operational.**

Table 10. Annual Labor Income Resulting from Merrill-Stevens Proposed New Facility
($ in Thousands)

Industry	*Total Impact*
Manufacturing	25,678
Knowledge-Based Services	24,696
Retail Trade	6,298
Wholesale Trade & Transportation Services	4,585
Visitor Industry	4,411
Government & Other	2,457
Construction	399
Total:	***68,523***

Source: The Washington Economics Group, Inc. Detail in Table A-7.

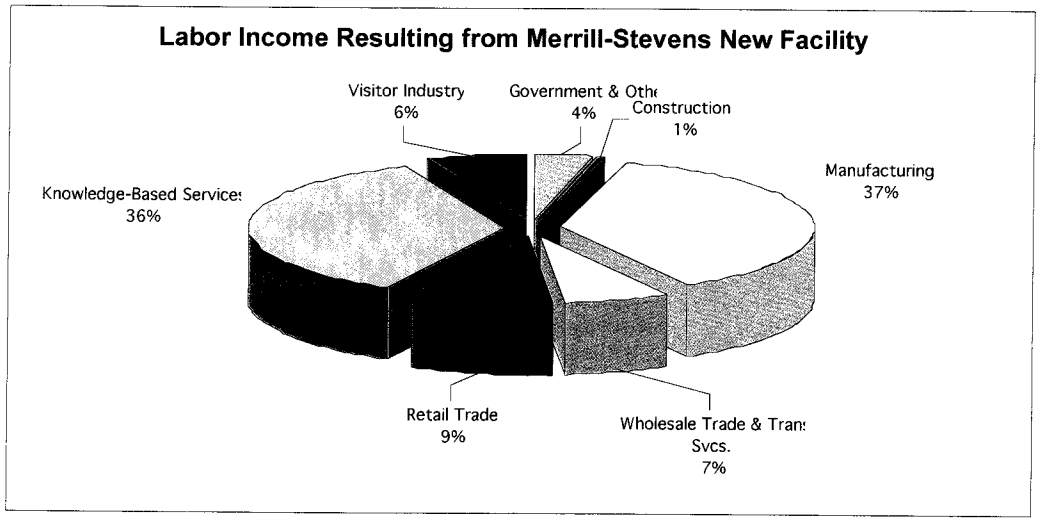


Figure 6

Of the $68.5 million of Labor Income generated by the activities in the new facility, $25.7 million, or 37 percent arises in the Manufacturing sector, $24.7 million of labor income, or 36 percent is created in the Knowledge-Based Services Industries. The remaining 27 percent is created in Retail Trade, the Visitor Industry and a range of other occupations.

I. The Proposed Development's Recurring Value-Added Impacts: A Significant Increase in Local and Regional Economic Activity

Recurring Value-Added is the portion of business revenues that is available to pay compensation to workers, capital income and indirect business taxes[6]. Value-Added is also the principal source of income to households and a key measure of the proposed facility's on-going contributions to the economy. An area's economic output is measured by its aggregate Value-Added. Table 11 highlights the Value-Added on-going impacts generated by the new facility. The greatest Value-Added impacts are generated in the Knowledge-Based Services where $34.8 million, or 34 percent, of the total Value- Added is created. The Manufacturing sector generates $30.7 million, or 30 percent of total Value-Added, followed by the Retail Trade sector, which generates $10.4 million, or 10 percent of the total Value-Added each year. The remaining sectors generate the other 26 percent of the additions to Value-Added each year.

There is a net contribution to the Florida economy of $100.7 million per year. By this measure, completion of the proposed development aids in the State's drive to create a high Value-Added, high-wage economy.

Table 11. Recurring Value-Added Created by Merrill-Stevens Proposed New Facility
($ in Thousands)

Industry	*Total Impact*
Knowledge-Based Services	34,846
Manufacturing	30,666
Retail Trade	10,376
Government & Other	9,729
Visitor Industry	7,375
Wholesale Trade & Transportation Services	7,297
Construction	416
Total:	***100,704***

Source: The Washington Economics Group, Inc. Detail in Table A-8.

[6] Aggregate value added also includes compensation to government workers.

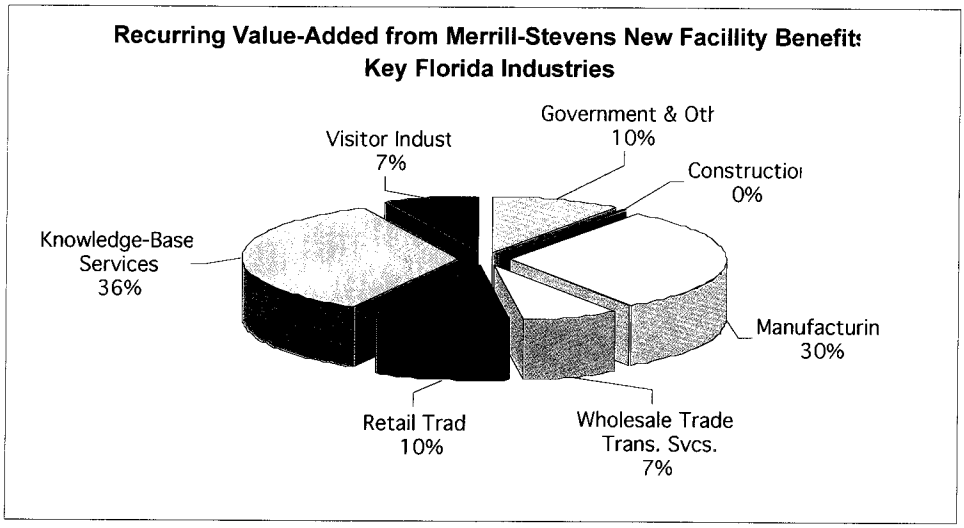


Figure 7

The Merrill-Stevens new facility will be a generator of high value-added activities, supporting the State and local efforts in creating a high standard of living for Florida and Miami-Dade residents.

J. The Total Annual Economic Impact Arising from Merrill-Stevens New Facility is a Significant $195 Million

A comprehensive measure of total economic impact is *Gross Economic Output*, representing the sum of gross revenues (receipts) of private firms plus the value of government services (valued at cost). Table 12 highlights the annual total economic impact of the proposed new facility. **The economic activities occurring each year in the new facility represent a significant $195 million in annual total economic impact. As in the other impact measures, a significant portion of the total economic impact occurs in the Manufacturing, Knowledge-Based Services, and Retail Trade industries representing 39 percent, 35 percent and 7 percent of the total, respectively. A number of other industries also benefit, as shown in Table 12 and Figure 8.**

Table 12. Recurring Total Economic Impacts from Merrill-Stevens Proposed New Facility
($ in Thousands)

Industry	*Total Impact*
Manufacturing	76,002
Knowledge-Based Services	68,001
Retail Trade	13,829
Government & Other	13,427
Wholesale Trade & Transportation Services	11,346
Visitor Industry	11,208
Construction	865
Total:	***194,679***

Source: The Washington Economics Group, Inc. Detail in Table A-5.

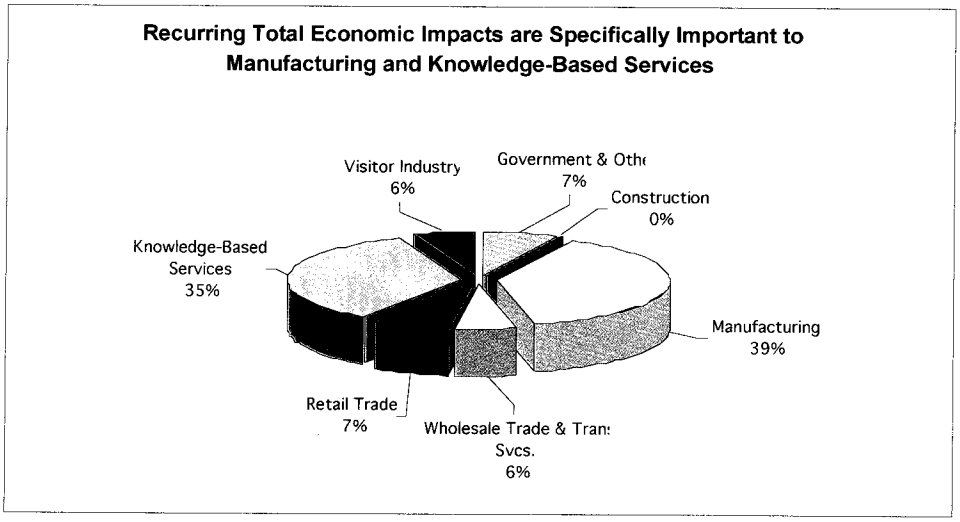


Figure 8

K. The New Facility Operation Generates Important Contributions to Public Revenues

The ongoing operations of the new facility will result in significant tax and other public revenues each year for federal, state, and local governments as is shown in Table 13. Over $17.7 million of fiscal revenues are generated each year by economic activity in the completed facility. Of this total, $9.5 million, or 54 percent, flow to the federal government, with the remaining $8.2 million, or 46 percent, of tax revenues are allocated to state and local governments.

Table 13. Recurring Fiscal Contributions of Merrill-Stevens Proposed New Facility
($ in Thousands)

Taxes Paid By	*Federal Taxes*	*State/Local Taxes*	*Total Taxes*
Labor	$ 7,168	$ 119	$ 7,287
Capital	250	-----	250
Households	175	470	646
Corporations	1,143	936	2,079
Indirect Business Taxes	804	6,655	7,459
Total:	***$9,542***	***$ 8,189***	***$17,722***

Source: The Washington Economics Group, Inc.

In summary, the annual recurring economic impacts on jobs, labor income, value added, total economic impact and fiscal revenues are important to the State and locally. Furthermore, the Merrill-Stevens state-of-the-art facility strongly supports the State and Miami-Dade County efforts to create a high-wage economy through value-added production.

The expected $55 million investment in modern equipment, buildings and supporting infrastructures serves the "public purpose" while strengthening the role of the Miami River and the marine industry of Florida.

APPENDIX I – METHODOLOGY

The multiplier impacts calculated by the IMPLAN model are based on input-output methodology, which explicitly considers the inter-industry linkages that exist within an economy. Each industry needs labor and inputs from other industries in order to produce economic output. Whenever an industry experiences an increase in the demand for its output, many other industries within that economy indirectly experience an increase in demand as well because of these inter-industry linkages. This increase in demand that results from the need for material inputs is called the *indirect effects*. In addition, an increase in production within a region also leads to an increase in household income through the hiring of workers, which in turn generates further demands for goods and services within the region. Firms also need to expand their base of physical capital to meet higher levels of demand, and this too stimulates regional economic growth. The latter effects are referred to as *induced effects*. The inter-industry linkages and the induced effects on consumer and capital spending lead to successive rounds of production, and this process results in an increase in output that exceeds the initial change in demand, or a *multiplier effect*. Similarly, the increase in household income will exceed the initial payroll increase encountered in the industry that experienced the original increase in demand. The total change in employment in the regional economy is a multiple of the direct change in employment.

The following represents the system of equations that comprise the regional economy in an extended input-output model like IMPLAN:

$$
\begin{aligned}
x_1 &= a_{11}x_1 + a_{12}x_2 + a_{13}x_3 + \cdots + a_{1k}x_k + a_{1h}x_h + a_{1I}x_I + f_1 \\
x_2 &= a_{21}x_1 + a_{22}x_2 + a_{23}x_3 + \cdots + a_{2k}x_k + a_{2h}x_h + a_{2I}x_I + f_2 \\
x_1 &= a_{31}x_1 + a_{32}x_2 + a_{33}x_3 + \cdots + a_{3k}x_k + a_{3h}x_h + a_{3I}x_I + f_3 \\
&\vdots \\
x_k &= a_{k1}x_1 + a_{k2}x_2 + a_{k3}x_3 + \cdots + a_{kk}x_k + a_{kh}x_h + a_{1I}x_I + f_k \\
x_h &= a_{h1}x_1 + a_{h2}x_2 + a_{h3}x_h + \cdots + a_{hk}x_k \\
x_I &= a_{I1}x_1 + a_{I2}x_2 + a_{I3}x_h + \cdots + a_{Ik}x_k
\end{aligned}
$$

The variables x_1 to x_k represent total production of output in each industry. The coefficients a_{ij} represent the purchases from industry "i" that are needed to produce a dollar of output in industry "j". These are known as the *direct requirement* coefficients. The variable x_h refers to household income and the coefficients a_{ih} refer to the average amount of household income spent on purchases from industry "i", or the *average propensities to consume*. The coefficients a_{hi} are similar to the inter-industry purchases (a_{ij}'s), but they represent the household income that is generated from each dollar of output produced in industry "i". Similarly the variable x_I represents regional spending on capital goods, and the coefficients a_{Ij} represents the spending on capital goods for each dollar of output produced in industry "j". The coefficients a_{jI} represent the amount purchased from industry "j" for each dollar spent on capital goods within the region. The variables f_j represent the exogenous final demand faced by each industry, respectively.

This system of equation reduces, using matrix notation, to the following solution for industry output and household income:

$$X = (I - A)^{-1} F$$

X is the vector of industry outputs plus household income and F is a vector of exogenous final demands. The "output multipliers" (i.e., the change in industry output and household income that results from a change in final demand for the output of a particular industry) are given in the columns of the $(I-A)^{-1}$ matrix. The IMPLAN software calculates these multipliers for counties, states and other sub-state regions. These multipliers can be used to provide a sense of the economic importance of an industry or an economic activity in a given region. The multipliers impacts for gross state product, labor and capital income and the government revenue impacts are derived from the basic output multipliers given by $(I-A)^{-1}$.

The IMPLAN model uses historical relationships between public-sector revenues and regional economic output in order to estimate the public-sector revenue impact resulting from the establishment of a new, or expansion of an existing economic activity.

APPENDIX II – DETAILED IMPACT TABLES

DETAILED IMPACT TABLES

Within the main portion of the study the economic impacts are presented at a summary level. *Direct, Indirect*, and *Induced* Impacts are aggregated into the Total Impact, and Industries are summarized by function. The following tables present detailed impacts at the two-digit NAICS industry classification level.

The following industry summarizations are used in the study.

1. **Government and Other** is the sum of: Agriculture & Forestry, Mining, Utilities, Company Management, and Government & Other

2. **Knowledge-Based Services** is the sum of: Information, Finance & Insurance, Real Estate, Professional Services, Administrative, Educational Services, Health & Social Services, Arts, Entertainment & Recreation, and Other Services

3. **Wholesale Trade & Transportation Services** is the sum of: Wholesale Trade, and Transportation & Warehousing

4. The **Accommodation and Food Services** sector was renamed to **Visitor Industry**

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Phase I – Capital Project Phase

Table A-1. Capital Project Phase-Economic Output Created by Merrill-Stevens New Facility
($ in Thousands)

Industry	Impacts			
	Direct	Indirect	Induced	Total
Agriculture & Forestry	0.0	30.7	143.6	174.3
Mining	0.0	31.6	46.8	78.4
Utilities	0.0	311.6	612.7	924.3
Construction	45,000.0	150.1	181.7	45,331.8
Manufacturing	10,000.0	2,182.1	1,250.3	13,432.4
Wholesale Trade	0.0	2,657.9	1,518.1	4,176.0
Transportation & Warehousing	0.0	1,153.6	825.4	1,979.0
Retail Trade	0.0	707.0	3,333.8	4,040.8
Information	0.0	627.2	1,007.4	1,634.6
Finance & Insurance	0.0	1,676.5	2,804.4	4,480.9
Real Estate	0.0	1,327.5	1,766.2	3,093.7
Professional Services	0.0	2,886.0	1,088.4	3,974.4
Company Management	0.0	579.0	297.0	876.0
Administrative	0.0	799.4	656.3	1,455.7
Educational Services	0.0	6.4	374.6	381.0
Health & Social Services	0.0	0.7	4,186.2	4,186.9
Arts, Entertainment & Recreation	0.0	58.9	479.7	538.6
Accommodation & Food Services	0.0	221.1	1,607.5	1,828.6
Other Services	0.0	473.9	1,414.0	1,887.9
Government & Other	0.0	356.9	3,861.4	4,218.3
Total:	***55,000.0***	***16,238.1***	***27,455.5***	***98,693.6***

Source: The Washington Economics Group, Inc.

Table A-2. Capital Project Phase-Jobs Created by Merrill-Stevens New Facility
($ in Thousands)

Industry	*Impacts*			
	Direct	***Indirect***	***Induced***	***Total***
Agriculture & Forestry	0.0	0.3	2.1	2.4
Mining	0.0	0.2	0.3	0.5
Utilities	0.0	0.6	1.2	1.8
Construction	589.6	1.9	2.1	593.6
Manufacturing	51.9	11.3	6.0	69.2
Wholesale Trade	0.0	19.8	11.3	31.1
Transportation & Warehousing	0.0	12.0	8.3	20.3
Retail Trade	0.0	12.8	60.2	73.0
Information	0.0	3.3	4.9	8.2
Finance & Insurance	0.0	10.7	17.4	28.1
Real Estate	0.0	7.0	12.8	19.8
Professional Services	0.0	37.2	13.2	50.4
Company Management	0.0	4.0	2.0	6.0
Administrative	0.0	17.5	13.0	30.5
Educational Services	0.0	0.1	7.7	7.8
Health & Social Services	0.0	0.0	57.8	57.8
Arts, Entertainment & Recreation	0.0	1.3	8.2	9.5
Accommodation & Food Services	0.0	4.7	37.4	42.1
Other Services	0.0	5.8	32.5	38.3
Government & Other	0.0	1.3	2.7	4.0
Total:	***641.5***	***151.8***	***301.1***	***1,094.4***

Source: The Washington Economics Group, Inc.

Table A-3. Capital Project Phase-Labor Income Resulting from Merrill-Stevens New Facility
($ in Thousands)

Industry	*Impacts*			
	Direct	*Indirect*	*Induced*	*Total*
Agriculture & Forestry	0.0	7.6	38.9	46.5
Mining	0.0	3.9	4.9	8.8
Utilities	0.0	65.7	130.7	196.4
Construction	22,210.3	71.7	78.0	22,360.0
Manufacturing	2,429.4	567.0	270.7	3,267.1
Wholesale Trade	0.0	1,065.0	608.3	1,673.3
Transportation & Warehousing	0.0	433.3	329.4	762.7
Retail Trade	0.0	323.9	1,511.5	1,835.4
Information	0.0	191.6	266.9	458.5
Finance & Insurance	0.0	534.2	869.7	1,403.9
Real Estate	0.0	209.2	294.1	503.3
Professional Services	0.0	1,814.5	653.3	2,467.8
Company Management	0.0	274.2	140.6	414.8
Administrative	0.0	445.4	337.7	783.1
Educational Services	0.0	3.3	202.4	205.7
Health & Social Services	0.0	0.3	2,268.4	2,268.7
Arts, Entertainment & Recreation	0.0	30.7	203.0	233.7
Accommodation & Food Services	0.0	87.1	633.4	720.5
Other Services	0.0	153.7	627.4	781.1
Government & Other	0.0	59.4	120.5	179.9
Total:	***24,639.7***	***6,341.7***	***9,589.8***	***40,571.2***

Source: The Washington Economics Group, Inc.

Table A-4. Capital Project Phase-Value Added Created by Merrill-Stevens New Facility
($ in Thousands)

Industry	*Impacts*			
	Direct	*Indirect*	*Induced*	*Total*
Agriculture & Forestry	0.0	13.5	77.2	90.7
Mining	0.0	8.2	10.9	19.1
Utilities	0.0	213.8	418.3	632.1
Construction	23,577.2	74.0	83.2	23,734.4
Manufacturing	2,613.5	800.4	447.7	3,861.6
Wholesale Trade	0.0	1,924.3	1,099.1	3,023.4
Transportation & Warehousing	0.0	552.2	406.9	959.1
Retail Trade	0.0	531.6	2,506.3	3,037.9
Information	0.0	358.9	538.3	897.2
Finance & Insurance	0.0	927.6	1,474.5	2,402.1
Real Estate	0.0	691.0	1,182.1	1,873.1
Professional Services	0.0	2,122.1	793.8	2,915.9
Company Management	0.0	401.3	205.8	607.1
Administrative	0.0	515.0	407.7	922.7
Educational Services	0.0	3.5	222.1	225.6
Health & Social Services	0.0	0.3	2,556.6	2,556.9
Arts, Entertainment & Recreation	0.0	37.7	285.8	323.5
Accommodation & Food Services	0.0	130.3	810.6	940.9
Other Services	0.0	175.6	674.4	850.0
Government & Other	0.0	246.7	3,016.8	3,263.5
Total:	***26,190.7***	***9,728.0***	***17,218.1***	***53,136.8***

Source: The Washington Economics Group, Inc.

Phase II – Annually Recurring Economic Impacts

Table A-5. Recurring Total Economic Impacts from Merrill-Stevens New Facility
($ in Thousands)

Industry	*Impacts*			
	Direct	*Indirect*	*Induced*	*Total*
Agriculture & Forestry	0.0	44.8	241.5	286.3
Mining	0.0	172.1	78.7	250.8
Utilities	0.0	1,305.0	1,030.5	2,335.5
Construction	0.0	559.7	305.6	865.3
Manufacturing	63,900.0	9,999.0	2,103.1	76,002.1
Wholesale Trade	0.0	4,556.7	2,553.4	7,110.1
Transportation & Warehousing	0.0	2,847.3	1,388.3	4,235.6
Retail Trade	7,737.2	484.5	5,607.5	13,829.2
Information	0.0	1,920.5	1,694.5	3,615.0
Finance & Insurance	0.0	2,232.2	4,717.0	6,949.2
Real Estate	938.2	3,699.2	2,970.7	7,608.1
Professional Services	0.0	3,497.9	1,830.7	5,328.6
Company Management	0.0	2,651.1	499.5	3,150.6
Administrative	0.0	2,086.0	1,103.9	3,189.9
Educational Services	1,752.0	34.4	630.0	2,416.4
Health & Social Services	0.0	1.6	7,041.4	7,043.0
Arts, Entertainment & Recreation	1,305.3	228.6	806.9	2,340.8
Accommodation & Food Services	7,858.0	646.3	2,703.8	11,208.1
Other Services	26,100.0	1,031.5	2,378.4	29,509.9
Government & Other	0.0	909.2	6,495.0	7,404.2
Total:	***109,590.7***	***38,907.6***	***46,180.4***	***194,678.7***

Source: The Washington Economics Group, Inc.

Table A-6. Permanent Jobs Created by Merrill-Stevens New Facility
($ in Thousands)

Industry	*Impacts*			
	Direct	*Indirect*	*Induced*	*Total*
Agriculture & Forestry	0.0	1.0	4.0	5.0
Mining	0.0	1.0	0.0	1.0
Utilities	0.0	3.0	2.0	5.0
Construction	0.0	7.0	4.0	11.0
Manufacturing	410.0	38.0	10.0	458.0
Wholesale Trade	0.0	34.0	19.0	53.0
Transportation & Warehousing	0.0	31.0	14.0	45.0
Retail Trade	170.0	9.0	101.0	280.0
Information	0.0	11.0	8.0	19.0
Finance & Insurance	0.0	14.0	29.0	43.0
Real Estate	6.0	19.0	21.0	46.0
Professional Services	0.0	44.0	22.0	66.0
Company Management	0.0	18.0	3.0	21.0
Administrative	0.0	42.0	22.0	64.0
Educational Services	28.0	1.0	13.0	42.0
Health & Social Services	0.0	0.0	97.0	97.0
Arts, Entertainment & Recreation	16.0	5.0	14.0	35.0
Accommodation & Food Services	143.0	14.0	63.0	220.0
Other Services	292.0	14.0	55.0	361.0
Government & Other	0.0	3.0	5.0	8.0
Total:	***1,065.0***	***309.0***	***506.0***	***1,880.0***

Source: The Washington Economics Group, Inc.

Table A-7. Annual Labor Income Resulting from Merrill-Stevens New Facility
($ in Thousands)

Industry	*Impacts*			
	Direct	*Indirect*	*Induced*	*Total*
Agriculture & Forestry	0.0	10.9	65.3	76.2
Mining	0.0	37.7	8.3	46.0
Utilities	0.0	272.8	219.8	492.6
Construction	0.0	267.9	131.2	399.1
Manufacturing	23,036.1	2,186.3	455.3	25,677.7
Wholesale Trade	0.0	1,825.8	1,023.1	2,848.9
Transportation & Warehousing	0.0	1,181.8	554.0	1,735.8
Retail Trade	3,533.6	222.0	2,542.4	6,298.0
Information	0.0	609.2	448.9	1,058.1
Finance & Insurance	0.0	734.3	1,462.9	2,197.2
Real Estate	220.3	516.4	494.8	1,231.5
Professional Services	0.0	2,174.9	1,098.9	3,273.8
Company Management	0.0	1,255.3	236.5	1,491.8
Administrative	0.0	1,104.2	567.9	1,672.1
Educational Services	711.7	15.6	340.5	1,067.8
Health & Social Services	0.0	0.6	3,815.4	3,816.0
Arts, Entertainment & Recreation	445.1	120.4	341.5	907.0
Accommodation & Food Services	3,090.7	254.7	1,065.4	4,410.8
Other Services	8,061.5	355.7	1,055.4	9,472.6
Government & Other	0.0	147.4	202.6	350.0
Total:	***39,099.0***	***13,293.9***	***16,130.1***	***68,523.0***

Source: The Washington Economics Group, Inc.

Table A-8. Recurring Value-Added Created by Merrill-Stevens New Facility
($ in Thousands)

Industry	*Impacts*			
	Direct	*Indirect*	*Induced*	*Total*
Agriculture & Forestry	0.0	20.0	129.9	149.9
Mining	0.0	65.9	18.3	84.2
Utilities	0.0	896.3	703.5	1,599.8
Construction	0.0	275.9	139.9	415.8
Manufacturing	26,490.8	3,422.0	753.0	30,665.8
Wholesale Trade	0.0	3,299.1	1,848.7	5,147.8
Transportation & Warehousing	0.0	1,464.8	684.4	2,149.2
Retail Trade	5,796.3	364.3	4,215.4	10,376.0
Information	0.0	1,018.6	905.5	1,924.1
Finance & Insurance	0.0	1,332.2	2,480.0	3,812.2
Real Estate	330.8	2,633.5	1,988.3	4,952.6
Professional Services	0.0	2,586.9	1,335.3	3,922.2
Company Management	0.0	1,837.2	346.2	2,183.4
Administrative	0.0	1,310.4	685.8	1,996.2
Educational Services	1,036.9	19.7	373.6	1,430.2
Health & Social Services	0.0	0.7	4,300.3	4,301.0
Arts, Entertainment & Recreation	753.3	145.6	480.7	1,379.6
Accommodation & Food Services	5,629.8	381.2	1,363.5	7,374.5
Other Services	9,592.4	400.9	1,134.4	11,127.7
Government & Other	0.0	637.3	5,074.3	5,711.6
Total:	***49,630.3***	***22,112.5***	***28,961.0***	***100,703.8***

Source: The Washington Economics Group, Inc.

APPENDIX III
THE WASHINGTON ECONOMICS GROUP, INC.
QUALIFICATIONS

weg The Washington Economics Group, Inc.

J. Antonio Villamil

- Tony Villamil has over thirty years of successful experience as a business economist and high-level policymaker at both federal and state governments. He has served as a U.S. Undersecretary of Commerce for Economic Affairs and is currently Chief Executive Officer of The Washington Economics Group, an economics and business consulting practice now in its second decade of operations. His areas of specialization are in economic analysis, economic development, trade policy and forecasting for business decisions.

- Mr. Villamil is a member of the President Advisory Committee on Trade Policy and Negotiations and is Chairman of the Governor's Council of Economic Advisors of Florida. During 1999-2000, he directed the Tourism, Trade and Economic Development activities of Florida in the Executive Office of the Governor. Presently, he is on the Board of Directors of the Spanish Broadcasting System (NASDAQ), CommerceBank, N.A. and Enterprise Florida - the State's principal economic development organization. Among other leadership positions, he serves as Vice Chair of Florida FTAA, and is an active member of the National Association for Business Economics (NABE).

- Tony received undergraduate and advanced degrees in Economics from Louisiana State University (LSU), where he completed coursework for the Ph.D. degree. In 1991, Florida International University (FIU) awarded him a Doctor of Science degree in Economics (Hon.) upon recommendation of the Graduate Faculty for "distinguished service to the Nation in the field of economics." Mr. Villamil publishes widely on economics and trade policy topics and is an adjunct professor of Competitive Strategy in the Executive MBA program of Florida International University.

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Charles K. Yaros

- Chuck Yaros is an Associate Consultant for Economics at The Washington Economics Group, Inc. (WEG). He serves as economic consultant in the areas of financial economics and economic impact studies. Prior to joining WEG he was Vice President and Portfolio Strategist at Shay Financial Services in Miami where he specialized in developing, implementing and managing interest rate risk and capital optimization strategies for financial institutions.

- Mr. Yaros has over 20 years of experience as a business and financial economist, having worked in a number of positions of progressive responsibility in the South Florida business community. Additionally, he has spoken and taught courses on financial risk management.

- Chuck received his undergraduate degree in Economics with Honors from Trinity College and his Master's degree in Economics from Duke University, where he also completed course work for the Ph.D. degree.

- Chuck and his family are residents of Coral Gables, Florida.

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The Washington Economics Group, Inc. has been successfully meeting client objectives since 1993 through economic consulting services for corporations, institutions and governments of the Americas. We have the expertise, high-level contacts, and business alliances to strengthen your competitive positioning in the growing marketplaces of Florida and Latin America.

Our roster of clients includes multinational corporations, financial institutions, public entities, and non-profit associations expanding their operations in the Americas.

EXCLUSIVE CONSULTING APPROACH:

Each client is unique to us. We spend considerable time and effort in understanding the operations, goals, and objectives of clients as they seek our consulting and strategic advice. We are not a mass-production consulting entity nor do we accept every project that comes to us. We engage a limited number of clients each year that require customized consulting services in our premier areas of specialization. These premier and exclusive services are headed by former U.S. Undersecretary of Commerce, Dr. J. Antonio Villamil, with over thirty years of experience as a business executive and as a senior public official of the U.S. and most recently of Florida.

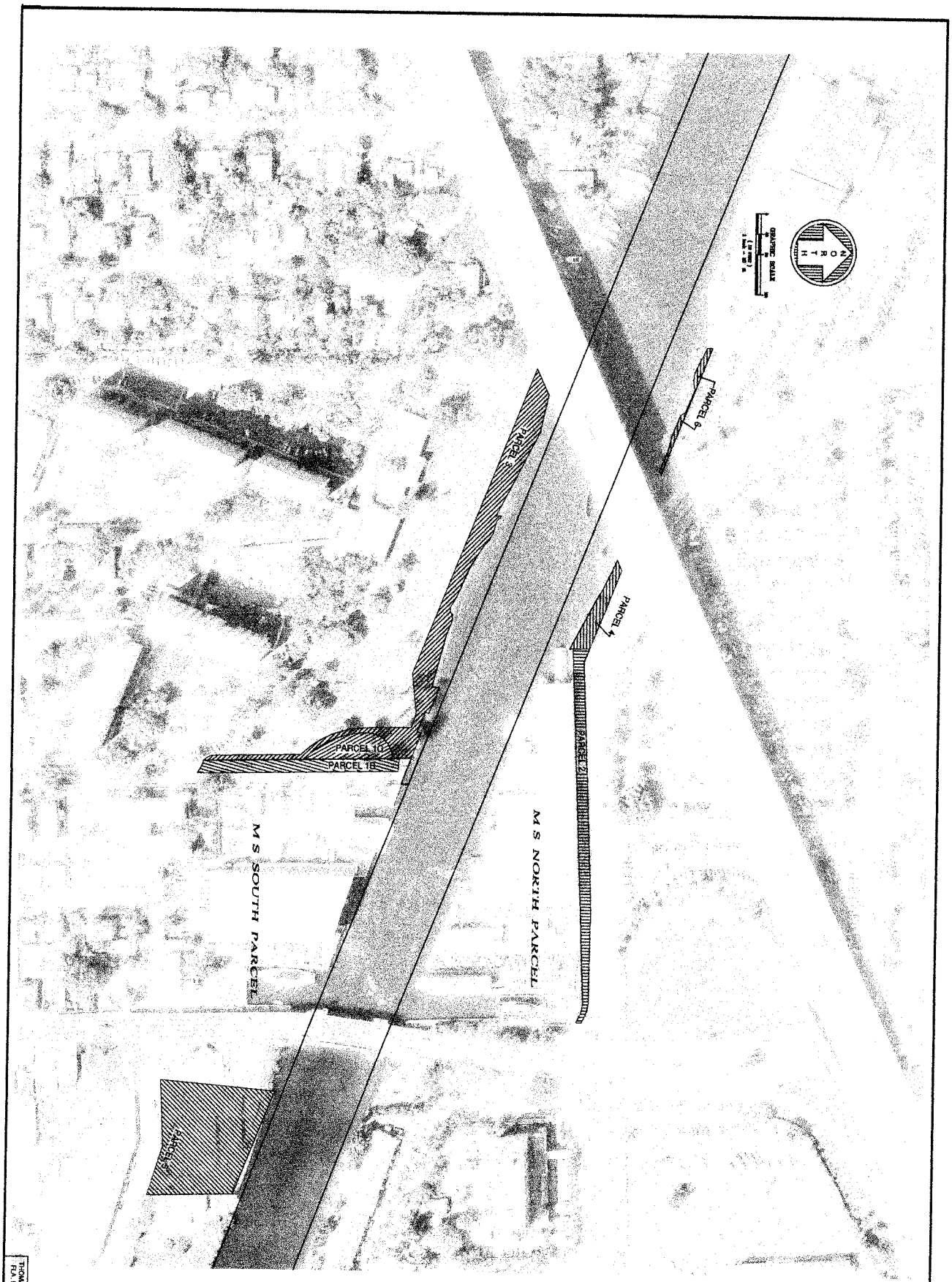
PREMIER CONSULTING SERVICES:

Comprehensive Corporate Expansion Services for Florida. Our seamless and customized service includes site selection analysis, development of incentive strategies and community and governmental relations.

Economic Impact Studies highlight the importance of a client's activities in the generation of income, output and employment in the market area serviced by the entity. These studies are also utilized to analyze the impact of public policies on key factors that may affect a client's activities such as tax changes, zoning, environmental permits and others.

Strategic Business Development Services. These services are customized to meet client objectives, with particular emphasis in the growing marketplaces of Florida, Mexico, Central and South America. Recent consulting assignments include customized marketing strategies, country risk assessments for investment decisions and corporate spokesperson activities and speeches on behalf of the client at public or private meetings.

For a full description of WEG capabilities and services, please visit our website at:
www.weg.com



MERRILL- STEVENS

COUNTY PARCEL CONVEYANCE MAP

MIAMI-DADE COUNTY FLORIDA

THOMAS CHECCA, P.E.
ENVIRONMENTAL CONSULTANT
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Phone/ Fax (954) 344-6864 / 344-4764

THOMAS CHECCA P.E.
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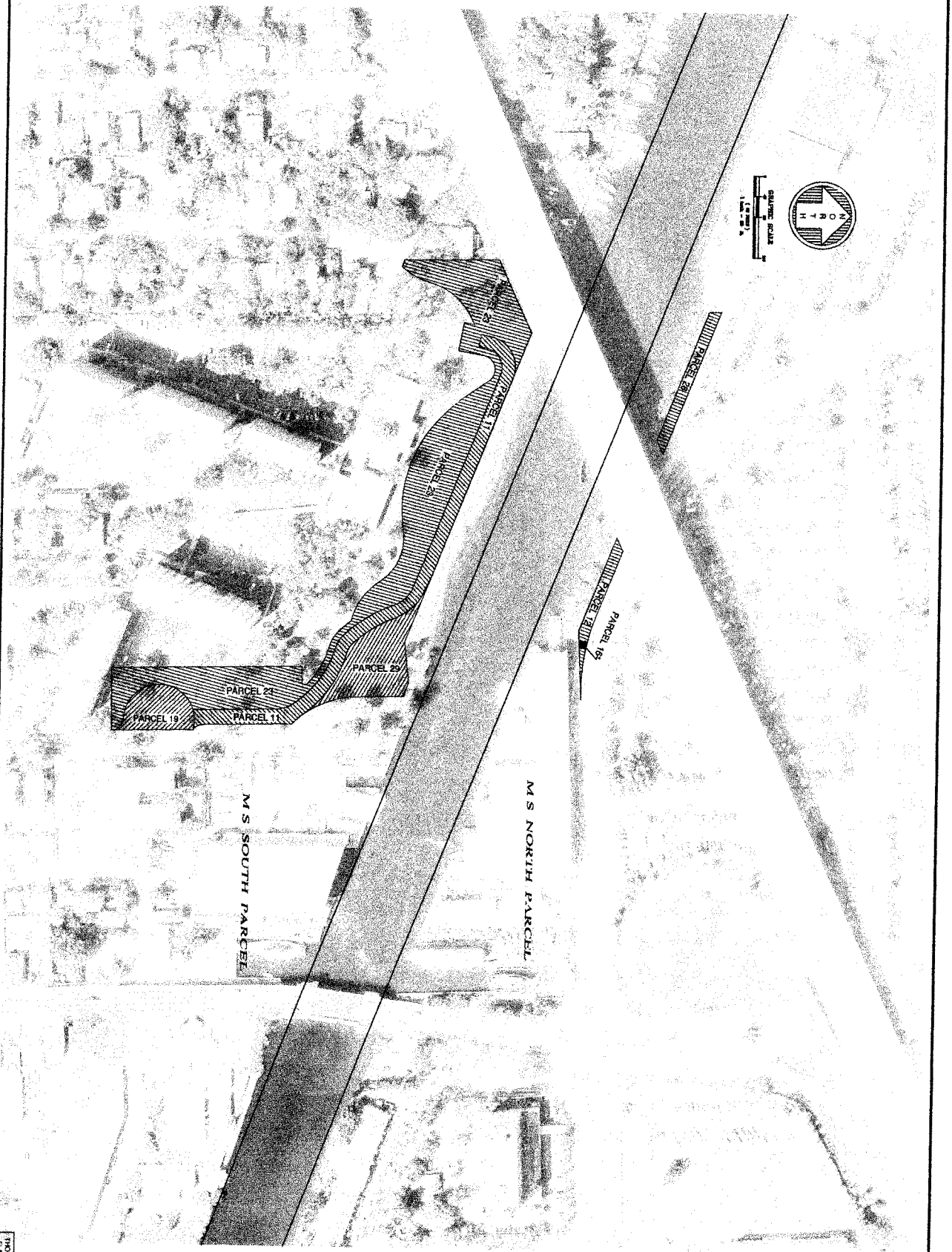

THOMAS CHECCA P.E.
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MERRILL - STEVENS

COUNTY PARCEL CONSTRUCTION EASEMENT MAP

MIAMI-DADE COUNTY FLORIDA

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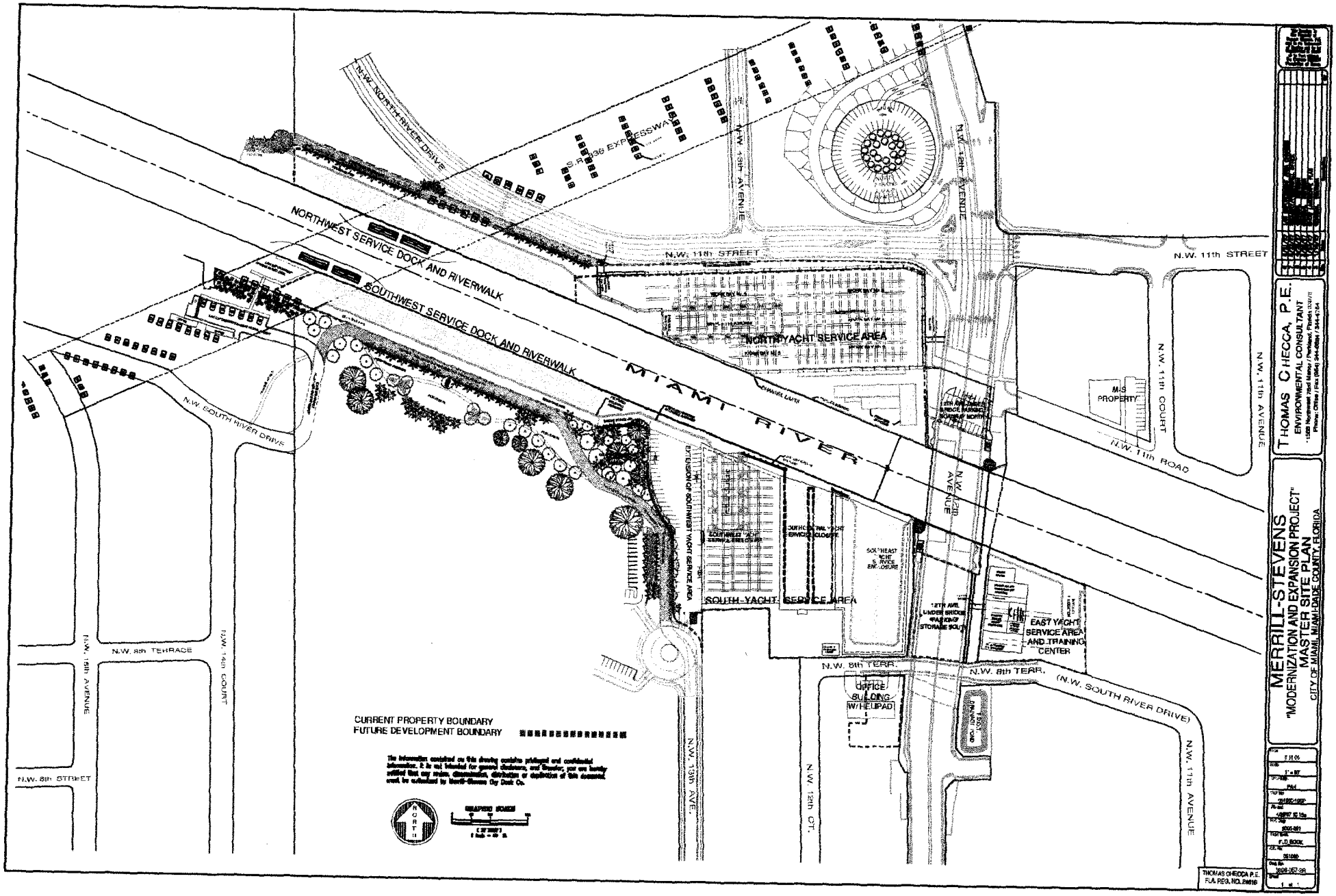

N.W. NORTH RIVER DRIVE
S.R. 836 EXPRESSWAY
N.W. 13th AVENUE
N.W. 12th AVENUE
N.W. 11th STREET
NORTHWEST SERVICE DOCK AND RIVERWALK
SOUTHWEST SERVICE DOCK AND RIVERWALK
NORTH YACHT SERVICE AREA
MIAMI RIVER
N.W. SOUTH RIVER DRIVE
N.W. 11th COURT
N.W. 11th AVENUE
N.W. 11th ROAD
M-S PROPERTY
EXTENSION OF SOUTHWEST YACHT SERVICE AREA
SOUTH YACHT SERVICE AREA
EAST YACHT SERVICE AREA AND TRAINING CENTER
N.W. 8th TERR.
(N.W. SOUTH RIVER DRIVE)
OFFICE BUILDING W/HELIPAD
N.W. 8th TERRACE
N.W. 15th AVENUE
N.W. 14th COURT
N.W. 8th STREET
N.W. 13th AVE.
N.W. 12th CT.
CURRENT PROPERTY BOUNDARY
FUTURE DEVELOPMENT BOUNDARY
NORTH
GRAPHIC SCALE
THOMAS CHECCA, P.E.
ENVIRONMENTAL CONSULTANT
MERRILL-STEVENS
"MODERNIZATION AND EXPANSION PROJECT"
MASTER SITE PLAN
CITY OF MIAMI, MIAMI-DADE COUNTY, FLORIDA
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