

RESOLUTION NO. 2019-53

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A NON-BINDING MEMORANDUM OF UNDERSTANDING WITH THE HURON JOINT PORT AUTHORITY FOR A DUE DILIGENCE PERIOD TO INVESTIGATE A POTENTIAL DEVELOPMENT IN THE CITY OF A UNITED STATES GEOLOGICAL SERVICE FACILITY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HURON, OHIO, THAT:

SECTION 1. The City Manager shall be, and he hereby is, authorized and directed to enter into a non-binding Memorandum of Understanding with the Huron Joint Port Authority for a due diligence period of 120-days to investigate a potential development in the City of a United States Geological Service facility, which Memorandum of Understanding shall be in a form substantially similar to the Memorandum of Understanding attached hereto and incorporated herein by reference as Exhibit A.

SECTION 2: This Council hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of the Council and that all deliberations of this Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public in full compliance with applicable legal requirements, including O.R.C. §121.22 of the Revised Code.

SECTION 3: This Resolution shall be in full force and effect from and immediately after its adoption.



Trey Hardy, Mayor

ATTEST: 
Clerk of Council

ADOPTED: 27 AUG 2019

MEMORANDUM OF UNDERSTANDING BETWEEN THE HURON JOINT PORT AUTHORITY AND THE CITY OF HURON, OHIO REGARDING A PROPOSED UNITED STATES GEOLOGICAL SURVEY FACILITY

This Memorandum of Understanding (“MOU”) is entered into on the date written below, by and between the HURON JOINT PORT AUTHORITY, a port authority existing under the laws of the state of Ohio, by and through its Chairman, Robert M. Moore, and the CITY OF HURON, OHIO, an Ohio municipal corporation, by and through its City Manager, Andrew D. White, with respect to a proposed project for a United States Geological Survey facility.

WHEREAS, the United States Geological Survey (USGS) has issued a Government Request for Lease Proposal (G18PL00008, Sandusky/Huron, OH) for a permanent dock to accommodate a large vessel and rentable space for office, laboratory and warehouse in the Sandusky/Huron, Ohio area; and

WHEREAS, in regard to USGS’s Request for Lease Proposal, the Huron Joint Port Authority (HJPA) has presented a development proposal to the Huron City Planning Commission and the Huron City Council for a USGS deep water port and research station to be constructed on an approximately one acre parcel of land to be owned by the City at what is commonly known as the former ConAgra site (hereinafter the “Property”); and

WHEREAS, HJPA’s proposal provides for the following:

- a. The City to lease the Property to HJPA in exchange for the residual value of the improvements at the end of 20 years.
- b. HJPA to sub-lease the Property to the United States government for a term of 10-years, with a 10-year renewal and a termination clause.
- c. HJPA will issue bonds in the amount of approximately \$1,200,000 to construct the USGS deep water port and research station and will pay off the bond issuance with the revenues from the sub-lease with the United States government.
- d. The City will provide utilities to include electric, gas, cable and any necessary streets and storm sewer improvements, dependent upon a defined funding source.
- e. At the end of 20 years, the City will retain ownership of the Property and the residual value of the site improvements (all of the foregoing being referred to as the “Project”); and

WHEREAS, at its regular meeting on August 13, 2019, Huron City Council passed a motion to have the Law Director prepare a resolution to consider an MOU between the City and HJPA for a 120-day due diligence period to consider and determine the economic viability of the Project; and

WHEREAS, the Parties would like to enter into this MOU to express their interest in the Project and to engage in a 120-day due diligence period to gather information and to determine whether the Project is economically viable.

NOW, THEREFORE, the Parties agree as follows:

SECTION 1. HJPA

HJPA agrees to do the following:

- a. Provide the City with proposed lease terms for a lease between HJPA and the City.
- b. Provide the City with proposed lease terms for a sub-lease to the United States government, including confirmation of a 10-year term with a 10-year renewal and a termination clause.
- c. Provide the City with information to support the estimated residual value of the site improvements after 20-years.
- d. Provide the City with information about the income tax revenues to be generated from the development of the Property.
- e. Provide the City with information about the qualifications of Hoty Enterprises of Sandusky, Ohio, including, but not limited to, the company's experience with similar projects.
- f. Assist the City in finding funding sources for the City's installation of utilities, to include electric, gas, cable, and any necessary street and storm sewer improvements to serve the Property.
- g. Provide the City with information about possible internship opportunities in the STEM field.
- h. Provide the City with proof of certified acceptance of HJPA's application to the Request for Lease Proposal by USGS.
- i. Provide the City with any information reasonably requested by the City regarding the Project.

SECTION 2. CITY OF HURON

The City agrees to the following:

- a. Investigate funding sources for the City's installation of utilities, to include electric, gas, cable and any necessary street and storm sewer improvements to serve the Property.
- b. Identify lost value of new real estate as financial variable the City should consider recouping.
- c. Provide HJPA with any information reasonably requested by HJPA regarding the Project.

SECTION 3. SITE CONSIDERATIONS.

The City's preliminary geotechnical reports indicate that soil compaction is a potential issue for the development of the Property and the Parties agree that this issue requires further investigation during the due diligence period. HJPA has obtained a quote for the cost of construction of the Project which does not include significant soil compaction work. To the extent the estimated construction costs are increased due to soil compaction or other additional work that must be done to develop the Property, those costs shall be borne solely by HJPA. The City will not share in those costs.

SECTION 4. 120-DAY TERM; TERMINATION

The term of this MOU shall commence on the date written below and run for a period of one hundred twenty (120) days.

Either party may terminate this MOU for any reason by providing thirty (30) days written notice to the other party.

SECTION 5. NON-BINDING

The Parties agree that the terms of this MOU are non-binding with respect to the Project. Therefore, the Project will not proceed if either party or both parties determine, at their sole discretion, that the Project is not feasible for whatever reason based on information obtained during the due diligence period.

SECTION .6 ENTIRE AGREEMENT.

This MOU shall constitute the entire agreement between the parties and fully supersedes any and all prior agreements or understandings, written or oral, between the parties pertaining to the matters set forth herein.

SECTION 7. COUNTERPARTS.

This MOU may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this MOU by facsimile or other electronic transmission, including email, shall be as effective as delivery of a manually executed original counterpart of each such instrument.

Authorized this 28 day of August, 2019:

HURON JOINT PORT AUTHORITY

CITY OF HURON, OHIO



Robert M. Moore, Chairman

Andrew D. White, City Manager

Approved as to form:

Aimee W. Lane, Law Director