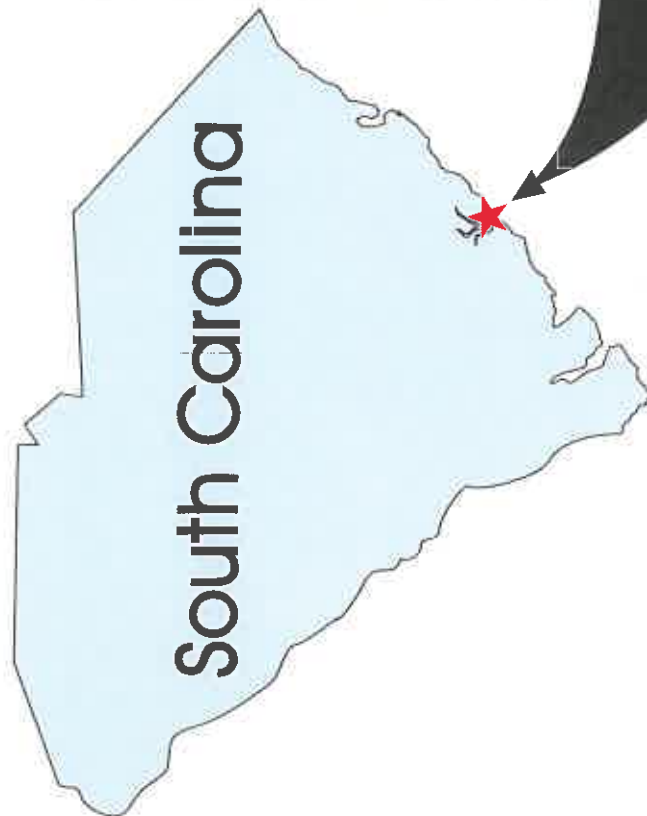




**Patriots Point
Development Authority**
40 Patriots Point Road
Mount Pleasant, South Carolina



PPDA

Patriots Point Development Authority Parcel Layout

Date: 04/03/2014



Patriots Point Development Authority
Request for Proposals and Qualifications
Date: April 25, 2014

I. OVERVIEW.

- A. The Patriots Point Development Authority (the “Authority”) is a State of South Carolina “enterprise agency” and is responsible for operation of the Patriots Point Naval and Maritime Museum. As an “enterprise agency,” the Authority receives no annual appropriation from the South Carolina General Assembly. The Authority’s primary sources of revenue include: admission to the Naval and Maritime Museum, overnight camping, retail sales, event rentals, educational programs, major events, onsite food services and rent from “landside” property leases.
- B. Governance of the Authority is vested in a board. Board members are appointed by a number of state level elected officials. The Board appoints an executive director who is responsible for long-term planning, daily operation of the Authority and the Naval and Maritime Museum, the preparation of the annual budget, and the management of the property owned by the Authority.
- C. The Authority owns approximately 360 acres of land, which is surrounded by Charleston Harbor and its tributaries. Most of the Authority’s property is under lease to five tenants. Approximately 50 acres of Authority land are not encumbered by a current lease. The Authority’s property is located within the Town of Mount Pleasant, South Carolina and development of the Authority’s property is subject to the land use regulations of the Town of Mount Pleasant.
- D. The Authority is responsible for the maintenance and restoration of its three seventy-year-old warships which are berthed in Charleston Harbor at the Authority’s pier. The Authority is also responsible for maintenance and restoration of the Authority’s piers, facilities, exhibits and buildings. The

Authority's goal is to manage property leases and the development of its property to generate a perpetual source of annual revenue which will be dedicated to the continual maintenance, restoration and enhancement of the Authority's ships, piers, facilities, exhibits and buildings.

- E. The Authority Board, with the consent and assistance of the South Carolina Budget and Control Board, is publishing this Request for Proposals and Qualifications for the purpose of receiving responses from qualified prospective tenant-developer respondents ("Respondents") meeting the Authority's requirements for leasing and developing designated parcels of the Authority's land. Approximately 50 acres of highland property are available for lease. Some of the available property is waterfront property.
- F. The Authority will not accept proposals for fee simple ownership of land. The maximum term for a lease agreement will be 99 years. The Authority will not entertain proposals for detached single family residential uses or any use not compatible with the Town of Mount Pleasant's Comprehensive Plan and Zoning Codes. The Authority recognizes that a mixture of uses may be desired by Respondents in order to maximize investment potential. However, the primary focus of the development proposal should be destination related uses and activities such as hotels, restaurants, retail shopping, rental offices, entertainment venues, public access amenities and cultural activities. While multi-family residential rental uses are not specifically excluded from consideration, multi-family residential rental uses, if included, must be integrated into the overall plan in a manner that compliments the destination related theme of the overall development, and should not be submitted as the dominant or primary land use.

II. INFORMATION AND GUIDELINES.

- A. Description of available property for lease and development. For an overview of the property to be included in the response and ultimately in the lease, see map one (1) in Appendix A of the Request for Proposals and Qualifications.

- B. A brief history of the Authority and the Patriots Point Naval and Maritime Museum is set forth in Appendix B of the Request for Proposals and Qualifications.
- C. A list and description of leased property and current tenants is set forth in Appendix C of the Request for Proposals and Qualifications.
- D. Selected terms to be included in the lease are set forth below. The lease itself will provide additional terms.
 - 1. The Authority will not convey fee simple ownership of property to any Respondent. No proposal for fee simple ownership will be accepted. The maximum lease terms will be ninety-nine (99) years.
 - 2. Permitted uses include: hotels, restaurants, retail shops, conference centers, rental offices, institutional and cultural activities, entertainment venues and public access facilities and amenities.
 - 3. Conditional uses (to be considered in responses but to be determined during negotiation of lease) include: multi-family residential apartments, support facilities such as parking facilities, storage areas, and other potential uses not listed as permitted uses in Paragraph II.D.2. Should the development proposal require that current support facilities and uses be displaced, the respondent, at their expense, must relocate, reconstruct, or construct facilities and uses as directed by the Authority and in compliance with all applicable state and federal laws. These facilities and uses include, but may not be limited to, parking areas, ticket offices, gift shop, restrooms, food service facilities, points of embarkation/debarkation, offices, museum facilities/exhibits, and storage/maintenance areas.
 - 4. Prohibited uses include: detached single family residential units of any kind, industrial uses, and uses not compatible with the Town of Mount Pleasant's Comprehensive Plan or zoning ordinances.

5. Specific plans and architectural elements for the site and building are subject to the approval by the Authority as will be specified in the final lease.
6. Upon termination of the lease, whether at the end of the lease term or otherwise, the property and all improvements will be the property of and under the exclusive control of the Authority; provided that at 75% completion of the initial lease term, the Authority will work with the tenant to negotiate an extension or renewal of the lease upon expiration of the term. Any such extension or renewal will be subject to approvals required by applicable South Carolina law.
7. The tenant under the lease will pay annual rent of an amount that is the greater of fair market rent and percentage of gross revenue rent. Fair market rent will be determined at the commencement of the lease and reset at 50% of the initial lease term by an appraisal process, and will increase by an amount each year based upon the Consumer Price Index. The fair market rent will be implemented with rent being paid in monthly installments of the greater of percentage of gross revenue rent or ten percent of the fair market rent in the first lease year, twenty percent of the fair market rent in the second lease year, thirty percent of the fair market rent in the third lease year, and so forth for the first ten years of the lease term with one hundred percent of the fair market rent in the tenth lease year. Each Respondent must specify in its proposal in response to this Request for Proposals and Qualifications the percentages of various types of revenue the Respondent proposes to pay under the lease. For example, but not by way of limitation, the types of revenue may include, but not be limited to revenue from admissions, memberships, hotel or other accommodations, apartment rental, food, beverage, office rental, retail sales, and event rentals.

E. Guidelines and Award Process

1. All proposals will be submitted to the office of the South Carolina Budget and Control Board (1200 Senate Street, Columbia, SC 29201), to the attention of Scott Capell no later than 5:00 pm on July 25, 2014.
2. The proposal in response to this Request for Proposals and Qualifications must be complete. The proposal in response to this Request for Proposals and Qualifications must have a table of contents and all pages must be numbered. Fifteen copies of the complete proposal in response to this Request for Proposals and Qualifications, including graphics, charts, maps, and exhibits, must be provided to the South Carolina Budget and Control Board. Failure to submit a proposal in response to this Request for Proposals and Qualifications full in compliance with this Request for Proposals and Qualifications by the time and date stated may result in rejection of the proposal. Any questions by the respondent must be submitted in writing to the South Carolina Budget and Control Board to the attention of Scott Capell, and not submitted to the Authority.
3. A site visit for respondents prior to the deadline for submitting proposals in response to this Request for Proposals and Qualifications may be scheduled through the South Carolina Budget and Control Board on May 16, 2014 by contacting Scott Capell by May 9, 2014.
4. The Authority Board will be responsible for selecting the most qualified Respondent with the proposal determined by the Authority to best meet the Authority's requirements. The Budget and Control Board will submit to the selected Respondent a proposed lease for review and discussion. If the Authority and the Respondent agree on the terms of the lease, the lease will be forwarded to the 5-member South Carolina Budget and Control Board for approval. If the Authority and the Respondent do not agree on the terms of the lease, the Budget and Control Board may submit to the next most qualified

Respondent with a proposal determined by the Authority to meet the Authority's requirements a proposed lease for review and discussion.

III. RESPONDENT'S SUBMITTAL REQUIREMENTS.

- A. The Respondent must provide a narrative explaining in detail the proposed plan (including without limitation the uses and businesses) for the property on a location by location basis and a graphic representation of the proposed plan (bubble diagram) with specific uses in each location including such information as the Respondent deems appropriate to give a complete response including but not limited to a description of each business, the height of each structure, square footage of each structure, required parking, and number of units as applicable.
- B. The Respondent must provide
 - 1. a business plan to support and substantiate the financial viability of the proposed businesses within each of the uses of property;
 - 2. a construction and operational timeline for each proposed site;
 - 3. an explanation for each phase of development;
 - 4. a projection for annual gross income for each business; and
 - 5. a twenty year projection for gross income for each business.

The construction and operational timelines are a priority for the Authority.

The Authority is committed to an aggressive development strategy for the entire property.

- C. The Respondent must describe in detail how the development plan will achieve a "synergy" between the various proposed uses; demonstrate the physical, financial, and "sense of place" synergy that will be achieved by the proposed development plan; and describe in detail how the plan will

make every element of the development cohesive with every other element, of the development.

- D. The Respondent must provide a visual representation for the development project at “build out,” including but not limited to pedestrian and automobile connections, parking, public access, water access, pedestrian connections to the Town of Mount Pleasant hiker/biker system; and a discussion of the proposed architectural standards and themes throughout the development including but not limited to a discussion of how the architectural standards and themes will compliment the Naval and Maritime Museum setting, but will also prevent a “clash” of architectural styles often experienced during phased development.
- E. The Respondent must address public access and public facilities that will be included throughout the development.
- F. The Respondent must demonstrate that the development plan has considered transportation issues and the Town of Mount Pleasant Transportation Impact Assessment Program.
- G. The Respondent must provide a detailed description of the Respondent’s plan to work with the Authority to advance the missions of the Patriots Point Naval and Maritime Museum and a time line for executing the proposed plan.
- H. The Respondent must provide a response to Paragraph II.D.7. and outline additional methods for generating income that will directly increase revenue for the Authority as a result of the Respondent’s proposed development and Respondent’s plan to work with the Authority to advance the missions of the Patriots Point Naval and Maritime Museum.

IV. INFORMATION REQUESTED TO DETERMINE RESPONDENT’S QUALIFICATIONS.

- A. The Respondent must provide a list of other development projects completed, owned, and operated by the Respondent that are similar in type and scope to development proposed for the Authority's property; and should include photographs, descriptions, dates of operation, current status, location and contact information.
- B. If Respondent's proposal in response to this Request for Proposals and Qualifications is submitted by a "development team," list the names and contact information for each member of the team; outline each team member's specific interests and contributions to the proposal; provide a biographical sketch for each team member to demonstrate the team member's experience; provide information to demonstrate past collaboration as a development team; and specifically state who will be the tenant if the proposal is accepted.
- C. The Respondent must provide a narrative describing the current status of projects the Respondent represents that are comparable to the development proposed for the Authority property including without limitation the operating status and ownership of the projects.
- D. The Respondent must provide detailed information for existing projects and businesses owned by, controlled by, associated with or represented by the Respondent including but not limited to the following.
 - 1. projects started (under construction) but not completed;
 - 2. projects completed and operational;
 - 3. projects and businesses owned or operated by the respondent that have failed, experienced foreclosure, or have been transferred to operational control or ownership of the lender.
- E. The Respondent must provide three bank references for the past ten years for the Respondent and each member of the development team.

- F. The Respondent must provide a financial statement for the Respondent and each member of the development team for the past ten years.
- G. The Respondent must describe in detail the Respondents plan to finance all phases of the proposed development.
- H. The Respondent must provide estimated construction costs of all elements of the entire development proposed including but not limited to buildings, infrastructure, support facilities, design, and engineering.
- I. The Respondent must describe the Respondent's long term plan (25 years or longer) for the proposed project and state whether Respondent's intent is to hold or sell all or parts of the project after or during development.
- J. The Respondent must provide an overview of Respondent's long term plan for maintaining the buildings, amenities, and support facilities and provide information regarding the condition of currently or previously developed or managed properties that have been maintained for longer than ten years.

APPENDIX A

MAP 1 DESCRIPTION OF PROPERTY AVAILABLE FOR LEASE

PATRIOTS POINT DEVELOPMENT AUTHORITY WILL CONSIDER THE LEASE OF APPROXIMATELY 50 ACRES OF PROPERTY. THE PROPERTY IS DISPLAYED IN THE COLOR "GREEN" ON MAP 1 IN APPENDIX A. THE TOTAL PROPERTY OFFERED FOR CONSIDERATION INCLUDES AREAS THAT ARE UNDEVELOPED, AS WELL AS AREAS THAT ARE CURRENTLY IN USE BY THE AUTHORITY AND IN SUPPORT OF THE PATRIOTS POINT NAVAL AND MARITIME MUSEUM OPERATION. FOR EXAMPLE, IF AN OPERATIONAL AREA, SUCH AS THE MUSEUM PARKING AREA, IS PROPOSED FOR LEASE, THE TENANT WOULD BE REQUIRED TO RELOCATE THE PARKING FACILITY TO ANOTHER LOCATION TO THE SATISFACTION OF THE AUTHORITY.



APPENDIX B

A BRIEF HISTORY OF THE PATRIOTS POINT DEVELOPMENT AUTHORITY AND THE PATRIOTS POINT NAVAL AND MARITIME MUSEUM

PATRIOTS POINT DEVELOPMENT AUTHORITY, CREATED BY SEC. 51-13-710 TO 51-13-870, IS A BODY POLITIC AND CORPORATE UNDER THE LAWS OF THE STATE OF S.C., CONSISTING OF AND GOVERNED BY A BOARD OF EIGHT BOARD MEMBERS AND THE EX-OFFICIO MAYOR OF THE TOWN OF MT. PLEASANT.

THE PRIMARY MISSION OF THE PATRIOTS POINT DEVELOPMENT AUTHORITY IS TWO-FOLD. FIRST, THE AUTHORITY WILL ESTABLISH, DEVELOP, AND OPERATE A NATIONAL MUSEUM OF SHIPS, NAVAL AND MARITIME EQUIPMENT, ARTIFACTS, BOOKS, MANUSCRIPTS, ART, AND HISTORICAL MATERIALS TO FOSTER PATRIOTISM, GENERATE PRIDE AND RESPECT FOR THE U.S., AND HONOR OUR VALIANT DEAD FROM WORLD WAR II TO THE PRESENT. SECOND, THE AUTHORITY WILL DEVELOP AND ENHANCE THE PATRIOTS POINT LAND AREA AND WATER AREAS OF THE CONTIGUOUS COOPER RIVER TO SUPPORT THE OPERATION OF SHIPS, PROVIDE A PLACE OF EDUCATION AND RECREATION, AND STIMULATE NATIONAL AND INTERNATIONAL TRAVEL BY PROVIDING MUSEUMS, ATTRACTIONS, LODGING, AND ACCOMMODATIONS.

OVER THREE HUNDRED THOUSAND VISITORS EXPLORE THE MUSEUM'S THREE WORLD WAR II ERA WARSHIPS ANNUALLY. THE AUTHORITY OFFERS AN OVERNIGHT GROUP CAMPING PROGRAM ONBOARD THE USS YORKTOWN THAT ATTRACTS MORE THAN TWENTY THOUSAND CAMPERS EACH YEAR. MORE THAN THREE HUNDRED EVENTS, RANGING FROM EDUCATIONAL SEMINARS TO GALA PARTIES, ARE HELD ON THE USS YORKTOWN ANNUALLY. PATRIOTS POINT IS ALSO THE PORT FOR SPIRIT LINE CRUISES WHICH PROVIDES TOURS OF CHARLESTON HARBOR AND TRANSPORTATION SERVICE TO FORT SUMTER.

RAY CHANDLER, *CHAIRMAN* – GEORGETOWN

ZEB WILLIAMS – COLUMBIA

LANNEAU SIEGLING – COLUMBIA

SUSAN MARLOWE – MT. PLEASANT

LINDA BENNETT – CHARLESTON

SPENCER KING – SPARTANBURG

MAYOR LINDA PAGE – MT. PLEASANT

WAYNE ADAMS – COLUMBIA

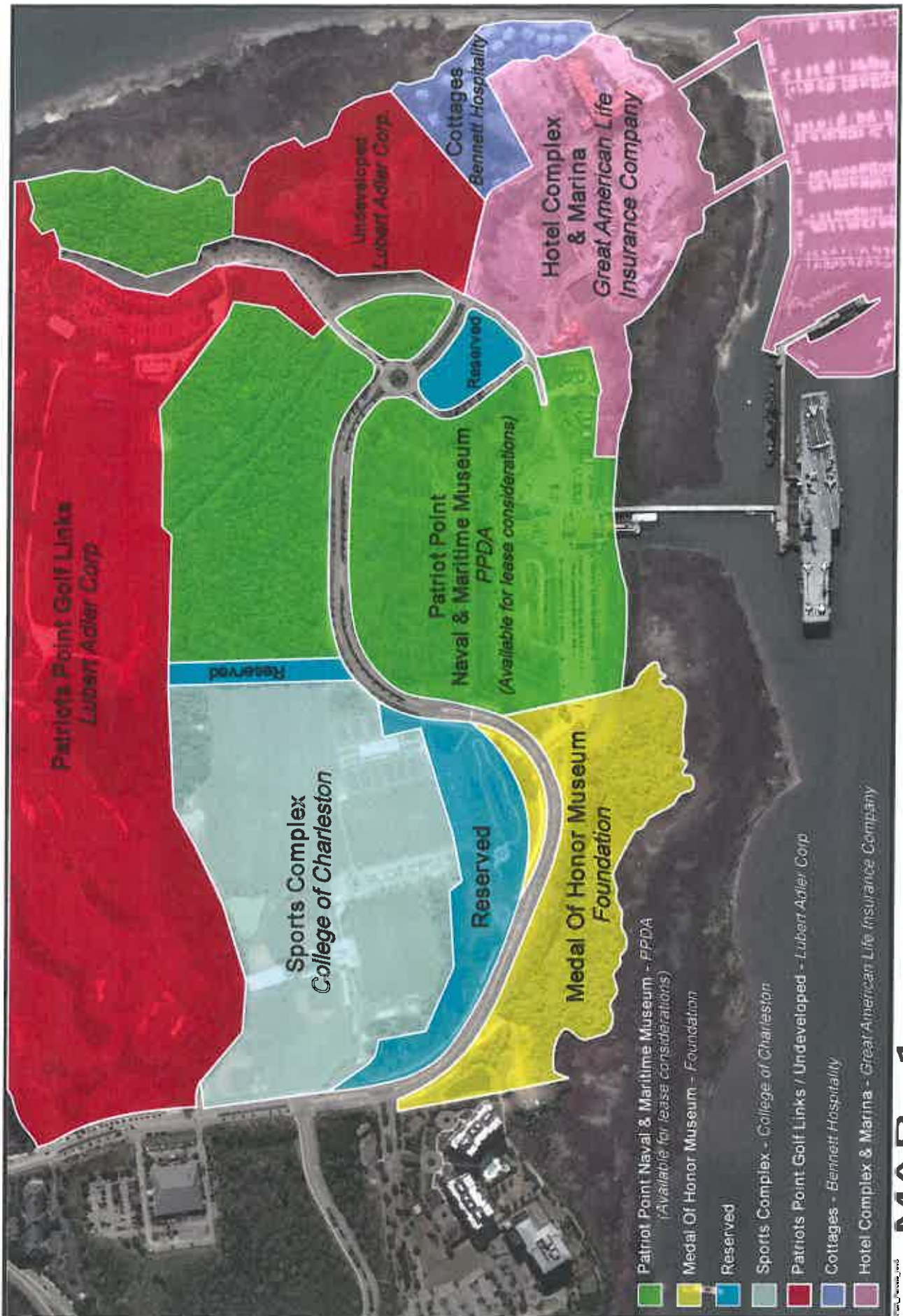
EDDIE TAYLOR – CHARLESTON

***EXEC.DIR.* – ROBERT M. BURDETTE**

***LEGAL COUNSEL* – WILLIAM E. CRAVER, III**

APPENDIX C

MAP AND OVERVIEW OF EXISTING LEASES AT PATRIOTS POINT



- Patriot Point Naval & Maritime Museum - PPDA (Available for lease considerations)
- Medal Of Honor Museum - Foundation
- Reserved
- Sports Complex - College of Charleston
- Patriots Point Golf Links / Undeveloped - Lubert Adler Corp
- Cottages - Bennett Hospitality
- Hotel Complex & Marina - Great American Life Insurance Company

PPDA

Patriots Point Development Authority Parcel Layout

Date: 04/03/2014

MAP - 1

THE AUTHORITY HAS LEASED APPROXIMATELY ____ ACRES TO FIVE TENANTS. LEASE PROPERTY INCLUDES THE FOLLOWING:

- **COLLEGE OF CHARLESTON SPORTS COMPLEX** – THE COLLEGE OF CHARLESTON HAS LEASED APPROXIMATELY 35 ACRES LOCATED ON THE EAST SIDE OF PATRIOTS POINT ROAD ACROSS FROM THE RENAISSANCE CONDOMINIUMS.
- **THE MEDAL OF HONOR MUSEUM FOUNDATION** – HAS LEASED APPROXIMATELY SEVEN ACRES OF LAND DIRECTLY IN FRONT OF THE COLD WAR MEMORIAL ALONG THE WESTERN WATERFRONT EDGE. THE FOUNDATION PLANS TO CONSTRUCT THE NATIONAL MEDAL OF HONOR MUSEUM ON THIS SITE WITHIN THE NEXT SEVEN YEARS.
- **GINN-LA FUND IV CHARLESTON PATRIOTS POINT GOLF, LLC.** – LEASES THE PATRIOTS POINT GOLF LINKS WHICH INCLUDES APPROXIMATELY TWO HUNDRED ACRES ON THE EASTERN SIDE OF THE PATRIOTS POINT PROPERTY. LUBERT ADLER ALSO LEASES AN ELEVEN ACRE PARCEL THAT IS UNDEVELOPED LOCATED ON THE SOUTH SIDE OF THE AUTHORITY’S PROPERTY ALONG THE WATERFRONT. THIS PARCEL IS LOCATED BETWEEN THE GOLFCOURSE AND THE COTTAGES.
- **BENNETT HOSPITALITY** OPERATES THE “COTTAGES” ON A PARCEL OF LAND LOCATED BETWEEN THE LUBERT ADLER UNDEVELOPED PARCEL

AND THE CHARLESTON HARBOR RESORT AND MARINA HOTEL. THE COTTAGES OVERLOOK CHARLESTON HARBOR.

- **GREAT AMERICAN LIFE INSURANCE COMPANY** OPERATES THE HOTEL, THE MARINA, THE FISHHOUSE RESTAURANT, AND AN EVENT PAVILLION ON LAND THAT IS ADJACENT TO THE “COTTAGES” AND THE MUSEUM’S OPERATIONAL AREA. THE PROPERTY OVERLOOKS CHARLESTON HARBOR TO THE SOUTH AND WEST.