## MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF NORTH PORT, FLORIDA AND THE NORTH PORT ART CENTER

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this \_\_\_\_ day of \_\_\_\_\_\_, 2025 (the "Effective Date"), by and between North Port Area Art Guild, Inc., a Florida not for profit corporation dba North Port Art Center ("NPAC") with a registered agent address of 860 Roseway Terrace NW, Port Charlotte, Florida 33948 and the City of North Port, Florida (the "City") located at 4970 City Hall Boulevard, North Port, Florida 34286. The NPAC and the City may hereinafter also be referred to collectively as "Parties" and individually as "Party."

WHEREAS, the City owns and operates Dallas White Park located at 5900 Greenwood Ave, North Port, Sarasota County, FL 34287, known as Parcel ID: 0999002000 (the "City Property"), which includes the property along Sam Shapos Way (the "Sam Shapos Property") as depicted on Exhibit "A" attached hereto and incorporated herein; and

WHEREAS, NPAC has leased the buildings located at 5950 and 5948 Sam Shapos Way, North Port, Florida (the "Buildings"), from the City since May 14, 2007, for the purpose of providing art-based programming, education, and community engagement for the citizens of North Port; and

WHEREAS, the Buildings leased by NPAC sustained damage as a result of Hurricane Ian, and due to the existing condition and age of the structures, only temporary repairs could be completed; and

WHEREAS, the City notified NPAC that the Buildings are approaching the end of their safe and useful life, and consequently, the lease agreement with NPAC for the Buildings was terminated September 1, 2025.

WHEREAS, both the City and NPAC value the important role that NPAC plays in enriching the community through its arts programming, and the City supports the continued presence of NPAC at the Sam Shapos Way location; and

WHEREAS, the NPAC is actively pursuing funding sources to construct new buildings to replace the Buildings on Sam Shapos Way with a new art center (the "Art Center") to continue and expand its mission and services; and

WHEREAS, the City pledges to support NPAC's mission by providing a 50-year ground lease for the Sam Shapos Way Property indicated within Exhibit "A" at a nominal cost of one dollar (\$1.00) per month pursuant to the terms and provisions of an agreed-upon ground lease.

**NOW, THEREFORE**, based upon the ground lease and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties mutually agree to the following understanding and commitments as a framework for the anticipated long-term ground lease and redevelopment of the Sam Shapos Property:

1. <u>Term.</u> The term of this MOU is from the Effective Date through and until the Parties execute a ground lease for the Sam Shapos Property, unless otherwise terminated by mutual written agreement of both Parties or as otherwise set forth in this MOU.

- 2. <u>Timeline of Construction Design</u>. The NPAC shall identify and secure funding necessary for the design and construction of the Art Center within three (3) years of the Effective Date of this MOU and shall provide proof of the funding to the City prior to submitting an application for any permit related to construction on the Sam Shapos Property. The City shall have the right to approve the lender chosen for the construction. The NPAC shall submit proposed building design plans to the City for conceptual and aesthetic review and approval within one (1) year of the Effective Date of this MOU. Approval of the design does not constitute approval for construction permitting. The City agrees to work collaboratively with NPAC to review proposed design and programming plans and to provide timely feedback.
- 3. <u>Ground Lease</u>. Upon the City's approval of NPAC's design concept, the Parties shall use good faith efforts to negotiate a mutually agreeable ground lease for the Sam Shapos Property (the "Ground Lease"), which Ground Lease shall be for a portion of the City Property with approximately the same building footprint as the Buildings located on the Sam Shapos Property, including all necessary parking, and satisfactory to both Parties, and which must be formally approved by the City Commission. These size limitations apply only to the building footprint, building height shall be limited by Florida and City regulatory requirements. The terms and conditions of the Ground Lease shall include, but not necessarily be limited to, the following:
  - a. NPAC shall be entitled to lease the Art Center on the Sam Shapos Property for an initial term of fifty (50) years commencing upon the mutual execution of the Ground Lease.
  - b. NPAC shall not be entitled to commence construction of the Art Center on the Sam Shapos Property until the Ground Lease is executed. The Ground Lease shall include a more detailed breakdown of the permit and approval process for NPAC as well as NPAC's obligations with regard to construction of the approved plans and specifications, including insurance obligations and standard representations and warranties regarding the quality of the workmanship.
  - c. Monthly rent shall be one dollar (\$1.00) per month and the Ground Lease shall be a triple net lease. The Parties acknowledge and agree that the City would not enter into the Ground Lease if the rent were not absolutely net or if the City were to incur any liability whatsoever, foreseen or unforeseen, with respect to the Sam Shapos Property or any portion thereof, other than as expressly permitted otherwise in the Ground Lease.
  - d. NPAC shall be fully responsible for all costs associated with the permitting and construction of the new facility, including but not limited to building construction, utility connections, stormwater management systems, and site access and parking infrastructure.
  - e. NPAC acknowledges that all construction activities must comply with the City's established permitting and regulatory procedures. Approval of the design by the City does not guarantee or replace any permitting requirements.
  - f. NPAC shall be fully responsible for all costs associated with the maintenance and operation of Art Center once constructed. The City shall have no maintenance or repair obligations with regard to the Art Center.

- g. NPAC shall provide the City with a proposed programming plan outlining the nature and frequency of offerings. Programs must be established and maintained at agreed-upon levels throughout the duration of the lease, as may be amended from time to time with written approval from the City Manager or designee.
- h. NPAC shall only be entitled to use the Sam Shapos Property for the permitted use of providing art classes, art programs, and related public offerings. Similar to item 3 f. above, NPAC may provide additional public offerings upon receipt of the prior written approval of the City Manager or designee.
- i. The Ground Lease shall include a date certain for completion by NPAC of the Art Center.
- j. NPAC shall not be allowed to assign, sublease, or otherwise transfer its interest in the Ground Lease without the prior written consent of the City Manager or designee.
- 4. <u>Miscellaneous</u>. This MOU serves as an expression of mutual intent and is not legally binding except for the obligations expressly stated herein. The Parties acknowledge that neither Party shall be bound to the other by this MOU for damages, expenses, or failure to agree upon and execute the Ground Lease. Either Party may terminate this MOU upon written notice, but such termination does not relieve NPAC of responsibilities incurred prior to termination. This MOU shall take effect on the date of signature by both Parties (the "Effective Date") and shall remain in effect until superseded by the Ground Lease or terminated by either Party.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Understanding on the dates shown below.

(Space intentionally left blank. Signatures on next page.)

| Approved and accepted by NPAC on  | , 2025   |  |
|---|--|--|
| North   | n Port Area Art Guild, Inc.,                   |  |
| DBA   | North Port Art Center                          |  |
| Name<br>Title:  | ale west<br>E: GAIE WEST<br>NPAC Board Preside | nt   |
| ACKNOWLEDGEMENT   |  |  |
| STATE OF FLORIDA COUNTY OF SAPASOTA   |  |  |
| The foregoing instrument was acknowledged before me by means of Ophysical presence or online notarization, this 11th day of September 2025, by Gale West (name), as President (title) for North Port Area Art Guild, Free (entity). |  |  |
|   | Notary Public                                  | -  |
| Personally Known OR Produced Identification  Type of Identification Produced Florida Week   | WALL AND THE STREET                            | RITA M. PUGLISE  Notary Public  State of Florida  Comm# HH644214  Expires 10/31/2025 |

| ADOPTED by the City Commission of the City of | North Port, Florida in public session on, 2025.     |
|---|---|
|   | THE CITY COMMISSION OF THE CITY OF NORTH PORT,      |
|   | A. JEROME FLETCHER II, ICMA-CM, MPA<br>CITY MANAGER |
| ATTEST  |   |
| HEATHER FAUST, MMC<br>CITY CLERK              |   |
| APPROVED AS TO FORM AND CORRECTNESS           |   |
| MICHAEL GOLEN, CPM                            |   |

INTERIM CITY ATTORNEY

## Exhibit A

