

**AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
SEPTEMBER 21, 2004**

The September 8, 2004 Cabinet Meeting was cancelled due to Hurricane Frances, and items 1-10 are being resubmitted for your review.

Item 1 Minutes

Submittal of the Minutes from the June 24, 2004 Cabinet Meeting.

(See Attachment 1, Pages 1-24)

RECOMMEND APPROVAL

Item 2 DMS/ Strategy for Disposal of State-owned Property in Tallahassee

REQUEST: Consideration of a Department of Management Services' strategy for disposal of state-owned property in Tallahassee.

COUNTY: Leon

APPLICANT: Department of Management Services (DMS)

LOCATION: Multiple

STAFF REMARKS: DMS is formulating a strategy for the disposition of various facilities and land. The disposition strategy considers state assets and lands which are either in poor physical condition or are underutilized and not in the state's best interest to retain. This strategy is one part of the overall Workspace Initiative designed to improve the space quality, promote optimum space use and control costs. It is a statewide initiative that will first focus on Leon County.

Several DMS facilities have high operating expenses, primarily due to utility consumption related to antiquated equipment. Those not conducive to office use include an old jail, homes, former motels and other structures which lack floor plan efficiency.

DMS has requested that the Department of Environmental Protection, Division of State Lands, initiate appraisals of a number of properties, primarily in the downtown Tallahassee area. Dispositions will be conducted to ensure that impact to this untested market benefits the state. The decision to surplus properties will be based on market interest, appraised value and the ability to relocate occupants. As employees who occupy some of these facilities will be impacted, the disposition strategy will include an employee migration plan. DMS anticipates having a complete citywide migration plan, including their recommended list of disposition properties, by November 2004.

Additionally, DMS has formed a work group to solicit feedback from the Tallahassee community to ensure a responsible and disciplined approach is taken. The work group consists of members from the following: City, County, Chamber of Commerce, FSU, FAMU, Downtown Improvement Authority, Gaines Street Revitalization, and Blueprint 2000.

(See Attachment 2, Page 1)

RECOMMEND ACCEPTANCE

Item 3 DCF/American Habilitation Services, Inc. Sublease/DOA/Determination

REQUEST: Consideration of (1) a request to approve a 12-year sublease agreement between the Department of Children and Families and American Habilitation Services, Inc.; (2) a determination that the proposed use is not contrary to the public interest pursuant to section 18-2.018(1)(a), F.A.C.; (3) delegation of authority to the Secretary of the Department of Environmental Protection, or designee, to approve future subleases for DCF's cluster facilities pursuant to section 253.002(1), F.S.; (4) a standard sublease form for future use by the Department of Children and Families; and (5) a determination that an award of the sublease without conducting a competitive bid is in the public interest pursuant to section 18-2.018(2)(i), F.A.C.

COUNTY: Duval
Sublease No. 3247-01

APPLICANTS: Department of Children and Families (DCF) and American Habilitation Services, Inc. (AHS)

LOCATION: Section 11, Township 03 South, Range 25 East

CONSIDERATION: AHS will pay DCF \$1 annually

STAFF REMARKS: DCF currently leases a 3.74-acre parcel, more or less, in Duval County under Board of Trustees' Lease No. 3247. The parcel is known as the Point West Cluster (Facility). AHS, a for-profit corporation is proposing to enter into a sublease agreement with DCF for the operation of the facility used to house developmentally disabled individuals. DCF has negotiated a price of \$1 annually, provided AHS will be fully responsible for maintenance and upkeep of the facility.

AHS has been providing services to the Facility since July 1, 1991, under contract with the Department of Health and Rehabilitative Services (HRS). Subsequently, the Facility was divested from HRS to DCF in 1997. The contract is still in effect. Since 1991, subleases for the private corporations' use of state-owned lands were sent to the private providers by both HRS and DCF, but the subleases were never executed. In order to receive funding, the Agency for Health Care Administration (AHCA) is now requiring the corporations to enter into subleases. These subleases will conform to provisions contained in the Board of Trustees' lease with DCF and will meet AHCA requirements.

The Department of Environmental Protection (DEP), Division of State Lands (DSL) does not have delegated authority to approve subleases to for-profit entities. For this reason, the sublease is being submitted to the Board of Trustees for approval. Pursuant to section 18-2.018(2)(i), F.A.C., the Board of Trustees shall authorize uses of uplands that will generate income or revenue to a private user, or will limit or preempt use by the general public, on the basis of competitive bidding unless the Board of Trustees determine it to be in the public interest to do otherwise. Because AHS has been providing services since 1991 and because they have provided such a valuable ongoing service, it is in the public interest to allow them to continue operating rather than require a competitive bid of the sublease at this point. This will allow AHS to provide uninterrupted service to the existing facility for developmentally disabled individuals.

Pursuant to section 18-2.018(1)(a), F.A.C., the decision to authorize the use of Board of Trustees-owned uplands requires a determination that such use is not contrary to the public interest. The facility currently serves 24 persons with developmental disabilities, and it is the

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only placement that provides care for these clients. For this reason, DSL staff believes that the proposed sublease is not contrary to the public interest.

AHS currently provide services for eight other cluster facilities. In order to expedite future subleases for these facilities, DCF is requesting that the Secretary of DEP, or designee, be given the delegated authority to approve future subleases by DCF, so long as any future subleases are in the standard form presently being considered for approval and so long as the current provider remains unchanged. If the current provider changes, these subleases would be competitively bid and require prior approval by the Board of Trustees.

A local government comprehensive plan has been adopted for this area pursuant to section 163.3167, F.S.; however, the Department of Community Affairs (DCA) determined that the plan was not in compliance. A compliance agreement between DCA and the City of Jacksonville (City) has been finalized. The proposed action is consistent with the adopted plan according to a letter received from the City.

(See Attachment 3, Pages 1-33)

RECOMMEND APPROVAL

Item 4 City of Palm Bay Letter of Consent

REQUEST: Consideration of an application for a Letter of Consent for the proposed dredging of approximately 2,000 cubic yards of material (18,000 square feet) for a proposed temporary sediment sump in the Turkey Creek tributary of the Indian River Aquatic Preserve.

COUNTY: Brevard
 Application No. 05-231806-001

APPLICANT: City of Palm Bay

LOCATION: Section 11, Township 28 South, Range 37 East, in Turkey Creek, Class III Waters, within the local jurisdiction of the city of Palm Bay
Aquatic Preserve: Indian River, Resource Protection Area III
Outstanding Florida Waters: Yes
Designated Manatee County: Yes, with an approved manatee protection plan
Manatee Aggregation Area: Yes
Manatee Protection Speed Zone: Yes, idle speed all year

CONSIDERATION: The project qualifies for waiver of the severance fee pursuant to section 18-21.011(3)(c), F.A.C.

STAFF REMARKS: In accordance with rules adopted pursuant to sections 373.427(2) and 253.77(2), and 258.42, F.S., this "Recommended Consolidated Notice" contains a recommendation for issuance of both the permit required under part IV of chapter 373, F.S., and the authorization to use sovereignty submerged lands under chapter 253, F.S. The Board of Trustees is requested to act on those aspects of the activity, which require authorization to use sovereignty submerged lands. If the Board of Trustees approves the request to use

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sovereignty submerged lands and the activity also qualifies for a permit, the Department of Environmental Protection (DEP) will issue a "Consolidated Notice of Intent to Issue" that will contain general and specific conditions. If the Board of Trustees denies the use of sovereignty submerged lands, whether or not the activity qualifies for a permit, DEP will issue a "Consolidated Notice of Denial."

The applicant applied on May 7, 2004, to the DEP for a permit and water quality certification in Turkey Creek, a tributary of the Indian River, Malabar to Vero Beach, Aquatic Preserve. The project consists of hydraulically and/or mechanically dredging in the Turkey Creek channel to create a "sediment trap or sump" of approximately 300-feet-long by 60-feet-wide by -10 feet deep below mean low water (MLW). The applicant also proposes dredging a 70-foot-long by 30-foot-wide, by -10 foot deep MLW sump within the Jersey Waterway, a privately-owned, man-made canal adjacent to the preserve. Both areas have been part of recent and historic maintenance dredging to a depth of -5 foot MLW (FDEP File No. 05-158677-008). The proposed sump is intended to capture sediments that flow from the upstream portion of Turkey Creek (also designated a sanctuary area managed by the Audubon Society and the City of Palm Bay) and deposit further downstream, causing shoaling and impacts to navigation at the mouth of residential canals downstream. The sump is to serve only as a temporary measure to capture sediments until other planned corrective methods upstream are in place to stop the erosion events.

A hydrographic study was performed to establish the effects of the proposed sump on the waterbody. There are no significant hydrographic impacts anticipated as a result of the dredging proposed in the project.

Pursuant to section 18-21.011(3)(c), F.A.C., a waiver of the dredge fees may be granted if the materials are placed on public property and used for public purposes, or if the dredged material has no economic value. The City of Palm Bay will place the material at Goode Park, a city owned park where it will be used for public purposes.

The proposed project is for the purpose of eliminating a navigational hazards along Turkey Creek. However, there is a general prohibition on dredging or filling in an aquatic preserve, except for certain specified minimal activities listed in section 258.42(3)(a), F.S., and associated rules. Specifically, staff is of the opinion that the proposed project complies with sections 258.42(3)(a)1, F.S., 258.42(3)(a)3, F.S., and 18-20.004(1)(e)1 and 10, F.A.C., which provide for "such minimum dredging and spoiling as may be authorized for public navigation projects and such other alteration of physical conditions as may, in the opinion of the trustees, be necessary to enhance the quality or utility of the preserve or the public health generally."

In addition, the applicant has provided reasonable assurance that the construction of the sump, considering the direct, secondary and cumulative impacts, will comply with the provisions of Part IV of Chapter 373, F.S. Also, the activity meets the Conditions for Issuance and Additional Conditions for Issuance of an environmental resource permit, pursuant to Part IV of Chapter 373, F.S., Chapter 62-330, F.A.C., and Sections 40C-4.301 and 40C-4.302, F.A.C., because the applicant has provided reasonable assurance that:

1. The activity will not adversely affect the public health, safety, or welfare or the property of others;
2. The activity will not adversely affect the conservation of fish and wildlife, including endangered or threatened species, or their habitats;
3. The activity will not adversely affect navigation or the flow of water or cause harmful erosion or shoaling;

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4. The activity will not adversely affect the fishing or recreational values or marine productivity in the vicinity of the activity; and
5. The activity will be of a temporary nature.

The Office of Coastal and Aquatic Managed Area (CAMA) staff has commented that the shoaling is due to artificial, engineered changes in the upstream watershed. Thus, the issue becomes whether DEP should allow an engineering solution in the aquatic preserve to counteract an engineering problem. CAMA analyzes these type situations on a case-by-case basis, weighing the protection of the natural conditions of the aquatic preserve versus the potential environmental benefits. In this case, CAMA states that a permanent, long-term solution to this problem needs to be achieved. However, this proposed one-time temporary restoration measure to contain sediments and return the streambed to a more natural condition is consistent with the provisions of the Indian River-Malabar to Vero Beach Aquatic Preserve Management Plan, adopted by the Board of Trustees on January 21, 1986, and the potential environmental benefits are sufficiently proven for CAMA to consent to this project.

Brevard County is a designated manatee county with an approved Manatee Protection Plan. The recommendations of the Florida Fish and Wildlife Conservation Commission regarding protection of manatees have been addressed in the environmental resource permit. There are no sea grasses or significant resources at the site.

For the above reasons, staff is of the opinion that the proposed project is in the public interest.

A consideration of the status of the local government comprehensive plan was not made for this item. The DEP has determined that the proposed "sediment sump" is not subject to the local government planning process.

(See Attachment 4, Pages 1-24)

RECOMMEND APPROVAL

Item 5 Chapter 18-23, F.A.C., Amendments

REQUEST: Approval of amendments to Chapter 18-23, F.A.C.

COUNTY: Statewide

STAFF REMARKS: The Office of Coastal and Aquatic Managed Areas (CAMA) is proposing procedural amendments to Chapter 18-23, F.A.C., to address changes: (1) requested by the Department of Environmental Protection's (DEP) Division of Law Enforcement to clarify the enforcement process; (2) to allow The Office of Coastal and Aquatic Managed Areas (CAMA) to collect park entrance fees for the Guana River State Park because it is now managed as part of the Guana Tolomato Matanzas (GTM) National Estuarine Research Reserve (NERR); and, (3) to adopt a fee schedule for public entry to the environmental education centers at the Rookery Bay and GTM NERRs.

(1) Subsection (3) is being added to section 18-23.010, F.A.C., to establish procedures for giving citations for violations of the rules of Chapter 18-23, F.A.C., levying fines, paying fines, and contesting fines. Since these rules were adopted, law enforcement has been unable to give citations for violations in buffer preserves due to the lack of written procedures in the rules that specify the options for a person who receives a citation. CAMA worked with the DEP's Division of Law Enforcement to establish these procedures for citations, and payment or contesting of fines levied by the DEP under the authority of this chapter of rules. The purpose of this addition to the rule is to allow law enforcement to issue citations for violations

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on CAMA lands, as well as to inform the public of the procedures they must use to resolve or contest a citation.

(2) A new rule, section 18-23.001, F.A.C., is being added to establish entry fees for the Guana Tolomato Matanzas National Estuarine Research Reserve (GTMNERR), formerly the Guana River State Park. CAMA has assumed the management responsibility of the State Park and will manage it as part of the GTMNERR. CAMA will utilize the entry fees to maintain and upgrade facilities and to perform resource management activities within the GTMNERR. There will be a small increase in the amount of the entry fees, which is consistent with the recent increase in park entrance fees throughout the state, thus no additional financial affect on citizens who pay the established state park entry fees throughout the state.

(3) CAMA is also proposing to adopt fees for public use of the education centers at the state's three NERRs, which are located at Apalachicola (Apalachicola NERR), Naples (Rookery Bay NERR) and St. Augustine (GTMNERR). In addition to the entry fees for the GTMNERR, fees will be established for entry to the new environmental education centers at the Rookery Bay NERR and the GTMNERR. No fees are being established at this time for the Apalachicola NERR. The affect of the new fees for the Rookery Bay NERR education center will result in some economic impact on the public for use of this new facility; however, fees are low and very affordable for all sectors of the public. A schedule of all the proposed fees is attached.

In 2001, the legislature granted specific authority to make rules and levy fines up to \$500 for rule violations in section 253.86, F.S. Three public workshops were held at Apalachicola, St. Augustine and Naples on April 26, 27 and 29, respectively to seek public input to the rulemaking process prior to drafting any proposed changes to the previous rules. Each of these workshops was advertised as required by law in the Florida Administrative Weekly (FAW) publication. Additionally, they were noticed locally via newspapers and the posting of information at focal points within the community. There was one person who attended the workshop at Naples and none at either of the other two sites.

CAMA then drafted the proposed rules considering the public input obtained from the workshops. This draft was published in the FAW in May. On June 15, a public hearing was held in St. Augustine following its advertisement in the FAW, and the local newspapers of Apalachicola, Naples and St. Augustine because these are the sites of the NERRs where the rules apply. Nobody from the public attended the public hearing.

(See Attachment 5, Pages 1-16)

RECOMMEND APPROVAL

Item 6 Florida Keys National Marine Sanctuary Annual Status Report

REQUEST: Acceptance of the seventh annual status report of the Florida Keys National Marine Sanctuary.

COUNTY: Monroe

STAFF REMARKS: On January 28, 1997, the Governor and Cabinet, sitting as the Board of Trustees of the Internal Improvement Trust Fund, approved the Florida Keys National Marine

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Sanctuary (FKNMS) management plan for implementation in state waters and adopted a resolution containing conditions for that approval. The annual submission of a report of the activities and conditions of the Sanctuary to the Board of Trustees is one of those requirements. This is the seventh of those annual reports covering the period of July 1, 2003 through June 30, 2004. The following items describe the condition of the resources and the most significant Sanctuary activities during this period.

Coral Reef Status: Coral reefs declined globally between 1996 and 1999 due to coral bleaching. Although mass bleaching has not occurred in the sanctuary since then, Indo-Pacific reefs in some areas experienced severe bleaching in 2000 and again in 2002. Recent media attention about this worldwide decline of corals has heightened awareness and concern for coral condition in the Sanctuary. Therefore, the U.S. Environmental Protection Agency (EPA) and the National Oceanic and Atmospheric Administration (NOAA) funded a coral reef monitoring program that the Florida Marine Research Institute implemented in 1996. Data from this project show a 38 percent decline in coral cover in the Sanctuary, and a reduction in coral species diversity at most sites between 1996 and 1999. Since 1999, coral cover has not declined significantly. However, coral cover does not seem to be increasing either, which could indicate a lack of resilience in the coral reefs in the Sanctuary. More types of coral diseases are present at more of the monitoring sites infecting more coral species; however, there was a decline in two diseases, "white disease" and "other disease" between 2002 and 2003. The major contributors to coral reef decline in the Florida Keys are degraded water quality, physical impacts and over-fishing.

Seagrass Status: There has been no change in the overall abundance of seagrasses in the Sanctuary, but there was a reduction of seagrasses at 3 of 30 permanent monitoring stations during hurricanes in 1998 and 1999. Some of the nearshore monitoring sites showed an increase in macroalgae due to an increase in nutrient pollution.

U.S. Navy Dredging Project Status: In late 2003, the U.S. Navy and U.S. Army Corps of Engineers started construction to establish a Homeland Security battleship training group in Key West. The project includes dredging of the Key West Main Ship Channel and Harbor, and repair of the Truman Mole Pier. Prior to the pier repairs, approximately 3,500 corals were harvested from the construction site for transplantation to restoration sites. This project was approximately 20percent complete in June 2004. In April 2004, the hopper dredge, *Eagle I*, caused impacts to coral resources at several locations outside of the permitted channel. Citations were issued for damages at four sites for violations of Sanctuary regulations. Additional citations and mitigation may be required following receipt of a pending report on the damages from an environmental consultant. A corrective action plan for the resource injuries is currently being established.

Florida Keys Eco-Discovery Center Dedication: In February 2004, local, state, and national representatives joined Jim Connaughton, Chairman of the President's Council on Environmental Quality, Congresswoman Ileana Ros-Lehtinen, and ocean explorer Jean-Michel Cousteau in a ground-breaking ceremony for the Florida Keys Eco-Discovery Center in Key West. The Eco-Discovery Center will be a world-class visitor center as part of the three-building Dr. Nancy Foster Keys Environmental Complex slated to open in 2006. The Eco-Discovery Center is a cooperative effort of the FKNMS, the National Park Service, the U.S. Fish and Wildlife Service and the South Florida Water Management District.

"No-Motor" Zones: In January 2004, Walt Stearns highlighted "no-motor" zones in the Florida Keys in *Saltwater Fly Fishing* Magazine with his article "*Silencing the Jet Ski Buzz: No Motor Zones Enforce Tranquility on Some Florida Keys Flats: Now Anglers and Sanctuary Managers Suggest More of Them.*" The article highlights a decrease in user conflicts between

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personal watercraft operators and flats fishermen in the FKNMS due to “no-motor” zones. As a result, he reports that the guides are recommending the establishment of additional “No-Motor” zones.

Geodetic Marker Installation at Molasses Reef: The first underwater geodetic marker was placed on Molasses Reef in the FKNMS in June 2004. The geodetic marker and the associated highly visible surface buoy were installed at the site of the *Wellwood* grounding, which is now a coral restoration project. The marker will allow researchers and scientists to accurately calibrate their navigation systems to facilitate monitoring of the restoration project, and to remind boaters of the fragile nature of the coral reef system.

Tortugas Mooring Plan Implementation: The Tortugas Ecological Reserve North mooring buoy field has been completed. Twelve surface mooring buoys are available for public use as well as 24 sub-surface buoys.

No Discharge Zone: The state waters of the sanctuary were designated as a “No Discharge” zone in June 2002. An education and outreach initiative was launched in the spring of 2003 to publicize this designation, and to seek public compliance with the new provision that prohibits the discharge of sewage effluent and other pollutants from any watercraft. The public has been generally receptive to the new regulation, which is now being enforced. Thirty-one pump-out stations, including four mobile pump-out boats, are now available in the Florida Keys, thus facilitating compliance with the new regulation and resulting in cleaner sanctuary waters.

Management Plan Status: The 1992 Congressional re-authorization of the National Marine Sanctuaries Act requires the review of sanctuary management plans every five years to monitor and evaluate the progress of the mission to protect the natural and cultural resources of national significance. The Board of Trustees also mandated this review in a resolution on January 28, 1997. The five-year FKNMS management plan review process began in 2001 with public scoping meetings throughout the Florida Keys. The revised management plan includes new action plans for Administration, and Damage Assessment and Restoration. The revised draft management plan is scheduled for availability to the Board of Trustees and NOAA headquarters in the fall of 2004.

(See Attachment 6, Pages 1-23)

RECOMMEND ACCEPTANCE

Item 7 2004 Florida Forever Interim Report/Priority List

REQUEST: Consideration of (1) the 2004 Florida Forever Interim Report of the Acquisition and Restoration Council; and (2) the 2004 Florida Forever Interim Priority List.

STAFF REMARKS: The 2004 Florida Forever Interim Report was prepared pursuant to chapter 259, F.S., and rule 18-24, F.A.C. During the Acquisition and Restoration Council (ARC) meetings of February 6, April 16, June 4, and August 20, 2004, ARC added five new projects, removed three projects, and amended the boundaries of seven projects on the Florida Forever Priority List. ARC also moved three projects from Group A to Group B, primarily because negotiations were at an impasse with the major owners, and moved another two projects from Group B to Group A, primarily because resource values for these projects were comparable to other Group A-listed projects, but also because landowners now appear

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motivated to sell. The Interim Report includes the 2004 Florida Forever Interim Priority List of acquisition projects approved by ARC on August 20, 2004 and proposed for adoption by the Board of Trustees. The report also includes the descriptions of the projects that were added to the Priority List and amendments to projects on the previous priority list.

<u>New Projects Added To Priority List</u>	<u>Acres</u>	<u>County</u>
Bear Creek Forest	104,461	Bay, Calhoun, and Gulf
Clear Creek / Whiting Field	5,026	Santa Rosa
Gulf Hammock	25,655	Levy
Lafayette Forest	12,800	Lafayette
Pine Island Slough	49,424	Osceola and Indian River

<u>Projects Removed From List</u>	<u>Reason</u>	<u>County</u>
Allapattah Flats	Negotiation Impasse	Martin
Cypress Gardens	Complete	Polk
Otter Mound	County to acquire	Collier

<u>Projects with Boundary Amendments</u>	<u>Acres</u>	<u>County</u>
Esterro Bay	98	Lee
Fisheating Creek Ecosystem	115	Glades
Florida Springs Coastal Greenway - Crystal River	142	Citrus
Florida Keys Ecosystem	3,063	Monroe
St. Joe Timberland - Flint Rock Tract	10,444	Jefferson
Pinhook Swamp	31,225	Columbia
Wekiva-Ocala Greenway	580	Lake

<u>Projects Moved From Group A to Group B</u>	<u>County</u>
Archie Carr Sea Turtle Refuge	Brevard and Indian River
Battle of Wahoo Swamp	Sumter
Half Circle L Ranch	Collier and Hendry

<u>Projects Moved From Group B to Group A</u>	<u>County</u>
Flagler County Blueway	Flagler
Watermelon Pond	Alachua and Levy

All property within the boundaries of the Florida Forever projects, unless specifically noted otherwise, is proposed to be purchased, in fee-simple or a lesser interest, for conservation purposes.

The 2004 Florida Forever Interim Priority List is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

The Florida Forever Interim Report was submitted under separate cover.

Thanks to the Governor and Cabinet, the state's land acquisition programs have been extremely successful in preserving Florida's unique and cultural resources and have acquired over 1,053,121 acres since January 1999, of which 93,032 acres were conservation easements. Over 170,000 acres of land to support priority recreational trails were acquired and over 700 archaeological and historic sites have been protected. Furthermore, we have added over 224,253 acres to the state's wildlife management areas, over 221,555 acres to our state forests, over 39,000 acres to buffer aquatic preserves, and over 186,574 acres to our nationally renowned state parks since 1999.

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The economic benefits from adding these fabulous natural lands to the state's inventory also need to be highlighted. **This summer, attendance at state parks exceeded 19.2 million visitors, and for the first time, state parks are generating over half their operating costs while contributing over \$600 million per year in local economic benefits.** In 2001, 4.9 million people over 16 years of age spent time fishing, hunting and watching wildlife in the Sunshine State and along the way spent more than \$6.2 billion in direct retail sales. Florida jumped from Number-3 in 1996 to Number-1 in 2001, with its \$7.8 billion fisheries economic output in 2001. In the past three Fiscal Years the Division of Forestry has generated in excess of \$12 million in revenues from forest related activities and returned approximately \$1.8 million (15 percent) to twelve, mostly rural, counties in which the forest revenues were generated. Additionally, nearly 2 million people visited Florida's 31 state forests in the past three years.

From an environmental perspective, accomplishments since 1999 include the protection of over 400,000 acres of Strategic Habitat Conservation Areas (as defined by the Florida Fish and Wildlife Conservation Commission); over 760,000 acres of habitat conservation areas (as defined by the Florida Natural Areas Inventory); nearly 560,000 acres of ecological greenways (as defined by the Office of Greenways and Trails); over 120,000 acres of under-represented natural communities; over 270,000 acres of natural floodplains; nearly 500,000 acres important to significant water bodies; over 24,000 acres of fragile coastline; over 520,000 acres of functional wetlands; nearly 153,000 acres of significant groundwater recharge areas; and over 350,000 acres of sustainable forest land. Additionally, lands acquired include habitat for 620 listed plant and animal locations for 190 different species, 103 of which are state-listed as endangered, 39 state-listed threatened, and 11 species of special concern.

(See Attachment 7, Page 1)

RECOMMEND ACCEPTANCE OF THE 2004 FLORIDA FOREVER INTERIM REPORT AND APPROVAL OF THE 2004 FLORIDA FOREVER INTERIM PRIORITY LIST

Item 8 TPL Option Agreement/San Felasco Hammock DRP Additions and Inholdings Project

REQUEST: Consideration of an option agreement to acquire 77.4 acres within the San Felasco Hammock Division of Recreation and Parks' Additions and Inholdings Project from The Trust for Public Land.

COUNTY: Alachua

LOCATION: Section 16, Township 09 South, Range 19 East

CONSIDERATION: \$1,750,000

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY:</u>		<u>APPROVED VALUE</u>	<u>SELLER'S</u>	<u>TRUSTEES'</u>	<u>OPTION DATE</u>
		<u>Emerson (01/14/04)</u>	<u>Arline (01/14/04)</u>		<u>PURCHASE PRICE</u>	<u>PURCHASE PRICE</u>	
TPL-Bryant	77.4	\$1,935,000	\$1,800,000	\$1,935,000	\$1,750,000 *	\$1,750,000** (90%)	120 days after BOT approval

* Property was placed in an irrevocable trust on November 13, 1996
 ** \$22,610 per acre

STAFF REMARKS: The San Felasco Hammock project has been identified on the Department of Environmental Protections' (DEP) Division of Recreation and Parks (DRP) Additions and Inholdings List. This agreement was negotiated by DEP's Division of State Lands on behalf of DRP under the State Parks Additions and Inholdings Florida Forever program.

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All mortgages and liens will be satisfied at the time of closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately. Therefore, DEP staff will review, evaluate and implement an appropriate resolution for any title issues that arise prior to closing.

A title insurance policy, a survey and an environmental site assessment will be provided by The Trust for Public Land (TPL) prior to closing. The Board of Trustees shall reimburse TPL for the cost of the title insurance policy, survey and the environmental site assessment at closing.

The Fox Pond property contains highly significant archaeological resources including an Indian village site and Spanish mission site with materials dating from the Paleo Indian (c. 9000-10000 BP) through the Spanish Mission period to the 18th century Seminole period. The Spanish mission of San Francisco de Potano is interpreted to have been located on the property. To help facilitate the preservation of these archaeological resources, UF-IFAS has expressed a commitment to transfer an adjacent portion of its management area to be managed as a portion of the San Felasco Hammock Preserve State Park in connection with the Fox Pond property. In view of the archaeological significance of the property and immediate area, the property is considered to have a high probability for containing additional archaeological resources that have not yet been identified.

The property will be managed by DRP as an addition to San Felasco Hammock Preserve State Park.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 8, Pages 1-26)

RECOMMEND APPROVAL

Item 9 Gordon A. Dressler, Jr., Trustee Option Agreement/Tiger Island/Little Tiger Island Florida Forever Project

REQUEST: Consideration of an option agreement to acquire 74.3 acres within the Tiger Island/Little Tiger Island Florida Forever project from Gordon A. Dressler, Jr., Trustee of the Elizabeth Dressler Family Trust.

COUNTY: Nassau

LOCATION: Section 39, Township 03 North, Range 28 East

CONSIDERATION: \$1,634,000

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
		<u>(03/26/04)</u>	<u>(03/26/04)</u>				
Dressler	74.3	\$1,900,000	\$1,600,000	\$1,900,000	*	\$1,634,000 (86%)	120 days after BOT approval

* This property has been under continuous family ownership since 1911 and the value at the time of the purchase is unknown.
** \$21,992 per acres

STAFF REMARKS: Tiger Island/Little Tiger Island project is an "A" group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on February 26,

Item 9, cont.

2004. The project contains 1,280 acres, of which 105.17 acres have been acquired. After the Board of Trustees approves this agreement, 1,100.53 acres or 86 percent of the project will remain to be acquired.

The subject parcel is an island and has legal and physical access by way of the St. Mary's River and Tiger Creek. There is no vehicular access to the property other than by boat. It is situated at the confluence of the St. Mary's River, the Amelia River, and Cumberland sound as it enters the Atlantic Ocean.

All mortgages and liens will be satisfied at the time of closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to the Department of Environmental Protection (DEP) the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately. Therefore, DEP staff will review, evaluate and implement an appropriate resolution for any title issues that arise prior to closing.

An environmental site assessment, title insurance policy and a survey will be provided by the purchaser prior to closing.

The acquisition of the Tiger and Little Tiger Island property will provide a missing link in a network of national and state preserves and parks that stretch from St. Andrews Sound in Georgia to the St. Johns River in Florida. Roughly three-quarters of the proposal appears to be estuarine tidal marsh along the St. Mary's River, Amelia River, and a network of smaller connecting rivers and creeks. The remainder primarily represents upland maritime hammock on the elevated islands in the extensive tidal marsh ecosystem. The marsh and adjoining sand and mud flats are important feeding and nesting areas for many species of shorebirds, wading birds, and songbirds. A recent survey by Florida Natural Areas Inventory biologists showed Little Tiger Island to have one of the highest nesting concentrations of Worthington's marsh wren and MacGillivray's seaside sparrow along the Florida Coast. The U.S. Fish and Wildlife Service has proposed to designate the Cumberland Sound side of Tiger and Little Tiger Islands as critical habitat for the wintering populations of the piping plover. The Tiger Islands have been occupied since aboriginal times and archaeological excavations in the area show that pottery-making aboriginal populations inhabited the coastal islands as early as the second millennium B.C.

Also of historical significance is that Tiger Island is the only United States location to have been under eight different flags. Following is an excerpt from the Manning appraisal:

The unique history of Fernandina centers around the fact that this small seaside resort community has flown under the reign of eight different flags throughout its rich history. The French were the first foreign visitors recorded to set foot on the island in 1562. They flew the old colonial flag for only a brief period as the Spanish defeated the French in 1565 and moved in. Spain in turn wrestled for control with the English as Fernandina traded hands back and forth for nearly seventy years. There were other enemies for Spain as well. With the blessings of the U.S., a small group of rebels overthrew the Spanish in 1812. The bold group quickly raised the flag of the Patriots of Amelia Island and flew it until the next day whereupon it was replaced by the American flag. Spain regained the island after demanding it be returned, but could not ward off another transfer of power. In 1817, the Scotsman Sir Gregor MacGregor seized control and raised the Green Cross of Florida. The Spanish effort to regain power was thwarted by forces led by three men Jared Irwin, Ruggles

Item 9, cont.

Hubbard and Luis Aury who in turn hoisted the Mexican Rebel flag in 1817. The Spanish finally relented on the entire area and ceded Florida to the United States in 1821. The U. S. flag's presence in Fernandina was briefly interrupted during the Civil War when the Confederate Flag flew from 1861 to 1862 to become the eighth flag to unfurl over the Emerald Isle. Since that time however, the Stars'n Stripes have remained the only flag to fly over Fernandina's shores.

This property will be managed by DEP's Division of Recreation and Parks as an addition to the Ft. Clinch State Park.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 9, Pages 1-29)

RECOMMEND APPROVAL

Item 10 Palm Beach Option Agreement Amendment/Pal Mar Florida Forever Project

REQUEST: Consideration of an amendment to an option agreement to (1) increase the acreage acquired by an additional 2,617.26 acres; and (2) reduce the title interest from 100 percent fee title to a 50 percent undivided title interest held jointly with Palm Beach County over the entire 5,222.56 acres within the Pal Mar Florida Forever project from Palm Beach County.

COUNTY: Palm Beach

LOCATION: Sections 05 through 09, Township 41 South, Range 41 East; Sections 01 through 04, Township 41 South, Range 40 East, Sections 10 through 13 Township 41 South, Range 40 East

		APPRAISED BY:			SELLER'S	TRUSTEES'	OPTION
<u>PARCEL</u>	<u>ACRES</u>	Banting (01/16/97)	Edwards (12/27/96)	APPROVED <u>VALUE</u>	<u>PURCHASE PRICE</u>	<u>PURCHASE PRICE</u>	<u>DATE</u>
Parcels A & B (100% of Fee)	4,823.51*	\$5,200,000	\$4,220,000	\$4,393,877	\$4,689,985		120 days after BOT approval
Parcel C [a.k.a. 37.03, 37.04 & 37.05] (100% of Fee)	399.05	(05/14/99) \$475,000		\$445,739	\$445,739		
Total	5,222.56			\$4,839,616	\$5,135,724		
Undivided 50% Interest	5,222.56			\$2,420,000**	\$2,567,862	\$2,420,000***	

* Adjusted to actual surveyed acreages. Appraised acreage was 5,280.79.

** Rounded

*** \$464 per acre for 50% undivided interest in 5,222.56 acres.

STAFF REMARKS: Pal-Mar Florida Forever project is an "A" group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on February 26, 2004. The project contains 35,668 acres, of which 19,114 acres have been acquired or are under

Item 10, cont.

agreement to be acquired. After the Board of Trustees approves this agreement, 13,936.99 acres, or 39 percent of the project, will remain to be acquired.

Pursuant to a multi-party acquisition agreement entered into between Palm Beach County (County) and the Department of Environmental Protection's (DEP) Division of State Lands (DSL), Palm Beach County purchased the subject property from the John D. and Katherine T. MacArthur Foundation. On June 12, 2003, the Board of Trustees approved the purchase of a portion of the parcel containing 2,605.3 acres from Palm Beach County in 100 percent fee ownership for \$2,423,512. DSL staff is requesting the Board of Trustees' consideration of an amendment to the option agreement to (1) add an additional 2,617.26 acres to the acquisition; and (2) change the interest to be acquired from 100 percent fee interest to an undivided 50 percent fee interest over the entire tract held jointly with Palm Beach County.

Generally, joint acquisitions with local governments provide that the Board of Trustees fund 50 percent of the purchase while receiving 100 percent of the title interest in the property. The benefit to the local government with this practice is the preservation of lands available for use by its citizens free of the pressures imposed on local governments for more active land uses. If approved, this will be the Board of Trustees' first joint acquisition with a local government retaining an undivided title interest in a parcel and will reverse a long-standing Board of Trustees' policy of not sharing title with local governments. The local government still receives the benefit of use of the land by its citizens but the Board of Trustees loses its control over the land as the state's land conservation agency.

With concurrent ownership, each co-owner has a proprietary interest in the whole of the lands involved. This right of equal possession is present regardless of the undivided interest held. Each co-owner may sell its interest or mortgage it. Either co-owner may lease its interest, including its right to possess the whole of the property. Each co-owner is liable for contribution to the other for the expenses of the property, and both are liable to third parties for damage or injury arising out of ownership and management of the property. Due to these incidents of joint ownership, the amendment provides for numerous deed covenants and restrictions in an effort to protect the Board of Trustees and the use of the property for conservation.

All mortgages and liens will be satisfied at the time of closing. There are outstanding oil, gas and mineral rights, various power, phone, and drainage easements on property. The appraisers considered these in their appraisals. Palm Beach County can manage the property with these conditions. Because these issues were discovered during preliminary due diligence, further research may change the facts and scope of each issue and, therefore, DEP staff will review, evaluate and implement an appropriate resolution for any title issues that arise prior to closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately.

A title insurance policy, a survey, an environmental site evaluation and, if necessary, an environmental site assessment will be provided by the purchaser prior to closing. The seller will reimburse the purchaser for the purchaser's cost of the title insurance.

Agriculture and residential development have reduced natural areas in the interior of southeast Florida to fragments. One of the largest and best fragments, part of what was once a transition zone between pine flatwoods and the sawgrass marshes of the Everglades, will be protected by the Pal-Mar project. Public acquisition of this project and the protection of these flatwoods and marshes, will protect habitat for the endangered Florida panther and snail kite, among

Item 10, cont.

other kinds of wildlife; will preserve natural lands linking the J.W. Corbett Wildlife Management Area with Jonathan Dickinson State Park; and, will provide land to the public of this fast-growing region for hiking, bicycling, camping, hunting and learning about the original nature of this part of Florida.

The property will be managed by Palm Beach County as the Pal-Mar Natural Area.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 10, Pages 1-17)

RECOMMEND DEFERRAL TO THE NOVEMBER 9, 2004 CABINET MEETING

Item 11 **TNC Assignment of Option Agreement/Yellow River Ravines Florida Forever Project/DACS/DOF Blackwater River State Forest Additions and Inholdings Project**

REQUEST: Consideration of the acceptance of an assignment of an option agreement to acquire 4,697.09 acres within the Yellow River Ravines Florida Forever project and the Department of Agriculture and Consumer Services' Division of Forestry's Blackwater River State Forest Additions and Inholdings project from The Nature Conservancy Charitable Trust.

COUNTY: Santa Rosa

APPLICANT: Department of Agriculture and Consumer Services' Division of Forestry (DOF)

LOCATION: Sections 02 through 04, 10, 11, 14, 15, 23 and 31, Township 03 North, Range 26 West; Sections 26, 28 and 34, Township 04 North, Range 26 West; and Section 23, Township 03, North, Range 27 West

CONSIDERATION: \$5,413,450 (\$5,345,000 for the acquisition; \$68,450 for the purchase of the option agreement)

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED</u>	<u>SELLER'S</u>	<u>TRUSTEES'</u>	<u>OPTION</u>
		<u>Rogers</u>	<u>Carroll</u>				
IP (Ates)	3,793.57	(5/21/02) \$4,175,000	(5/21/02) \$3,800,000	\$4,175,000	*		11/15/04
IP (Blackwater)	903.52	(4/07/04) \$1,230,000	(4/07/04) \$1,364,000	\$1,364,000	*		11/15/04
Totals	<u>4,697.09</u>			<u>\$5,539,000</u>		<u>\$5,413,450**</u> (98%)	

* Property transferred in a series of corporate mergers over a period of 20 years.
 ** \$1,153 per acre.

STAFF REMARKS: The Blackwater River State Forest has been identified on the DOF approved Florida Forever Additions and Inholdings project list. Tracts A through G are on the

Item 11, cont.

Blackwater River State Forest Inholdings and Additions list. Tracts C and D (3,793.57 acres) are also included in the Yellow River Ravines Florida Forever project which is an "A" group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on February 26, 2004. The Yellow River Ravines project contains 16,652 acres, of which 197.10 acres have been acquired or are under agreement to be acquired. After the Board of Trustees approves this agreement, 12,661.33 acres, or 76 percent of the project, will remain to be acquired. All of the tracts will be acquired under the DOF's Additions and Inholdings program.

Pursuant to a multi-party acquisition agreement entered into between the Department of Environmental Protection's (DEP) Division of State Lands, The Nature Conservancy Charitable Trust (TNC) and DOF, TNC has acquired an option to purchase the property from International Paper Company, a New York Corporation (IP). After this acquisition is approved, the Board of Trustees will acquire the option from TNC for \$68,450, which represents agreed upon compensation to TNC for overhead associated with acquiring the option. The assignment of option agreement provides that payment to TNC is contingent upon the Board of Trustees successfully acquiring the property from the owner. The assignment of option agreement further provides that in no event, will the purchase price for the option and the purchase price of the property exceed the approved value of the property.

There are outstanding oil, gas and mineral interests on the property in favor of a third party that encumber the majority of the property. Additional due diligence is being done to confirm the exact location of these outstanding interests; however, the Bureau of Geology has indicated the property holds little economic significance for exploration. The right of entry does not appear to be barred by the Marketable Records Title Act. The appraisers considered these interests in their valuation of the property and the future managing agency, DOF, can manage the property with these outstanding interests in place.

All mortgages and liens will be satisfied at the time of closing. Seven tracts of land are being acquired from IP with this one transaction. Parcels B, C, F and G do not have legal access; however, they do have physical access as they adjoin Blackwater River State Forest which is managed by the DOF. The appraisals took into account that IP reserved the right to harvest timber on a specified 625 acres. Since the property was appraised, 415 acres of timber has been harvested and there are 210 acres of timber left to be harvested within the next eighteen months. The lack of legal access to parcels B, C, F and G, and the timber reservation were all considered in the final reconciliation of value. DOF, the future managing agency has determined that the property can be managed with these conditions. There is an unrecorded hunt club lease on portions of the property that will be extinguished prior to closing. The owner has contacted the lessee to inform them of the expiration of said lease. Because these issues were discovered during preliminary due diligence, further research may change the facts and scope of each issue and, therefore, DEP staff will review, evaluate and implement an appropriate resolution for these and any other title issues that arise prior to closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately.

A survey, a title insurance policy, an environmental site evaluation and, if necessary, an environmental site assessment will be provided by DOF prior to closing.

The acquisition of this property will afford natural resource conservation and allows additional outdoor recreation activities under a multiple-use management regime. Acquisition of this

Item 11, cont.

major inholding will significantly improve the overall management of the Blackwater River State Forest.

All of these tracts are inholdings within the state forest. This project facilitates the landscape linkage of several tracts of public ownership, Blackwater River State Park, Blackwater River State Forest, Eglin Air Force Base, Harold – Navy Outlying Landing Field and Conecuh National Forest in Alabama. Such large linkages provide habitat for wide ranging and migratory species such as the Florida black bear and various waterfowl and bird species. Of particular significance are the in-holdings located in the southern part of the forest in or adjacent to the "connector" between Blackwater River State Forest and Eglin Air Force Base. Securing these "gaps" are critical acquisitions in improving the wildlife corridor between Blackwater and Eglin. The conservation area also contains portions of several tributaries of the Blackwater River, an Outstanding Florida Water. Recorded species include the eastern chipmunk, red-cockaded woodpecker, gopher tortoise, Florida pine snake, Eastern indigo snake, tiger salamander, pine barrens tree frog, black-tip shiner, panhandle lily, white-top pitcher plant, flame azalea, spoon-leaved sundew, hummingbird flower, yellow fringeless orchid, sweet pitcher-plant, Say's spike-tail dragonfly, Harper's yellow-eyed grass, bog-button, and Chapman's butterwort. Threats continue to be conversion to more intense agricultural uses and residential development.

The property will be managed by DOF as part of the Blackwater River State Forest.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 11, Pages 1-66)

RECOMMEND APPROVAL

Item 12 BOT Delegations Reaffirmation

**DEFERRED FROM THE AUGUST 10, 2004 AGENDA
DEFERRED FROM THE JUNE 24, 2004 AGENDA**

REQUEST: Reaffirm existing delegations granted by the Board of Trustees.

COUNTY: Statewide

STAFF REMARKS: Understanding the benefits that may be reaped when the functions of government are streamlined, the Board of Trustees has delegated several of its functions to the Secretary of the Department of Environmental Protection (DEP). Delegations are vital to the protection of Florida's resources, as it allows government to be more proactive as well as responsive when addressing issues that affect the environment.

Over the years, DEP has carefully created policies and procedures to ensure that delegations granted to the Department are exercised in accordance with the laws, rules and intent of the Board of Trustees. The end result has been a success. Due to the delegations granted to DEP by the Board of Trustees, the Department has been able to handle the day-to-day operations of the Board of Trustees in a business climate that increases in complexity as it's reliance on technology expands. Additionally, as the state's population has grown, the pressure to use the

Item 12, cont.

Board of Trustees' lands has increased. With the delegations in place and the dedication of the staff to providing quality customer service, organizations from all over the state have become more interested in working closely with the state in an effort to preserve Florida's resources.

Delegations are an avenue for removing some of the obstacles that can be created when the functions of government become overly cumbersome.

(See Attachment 12, Pages 1-11)

RECOMMEND APPROVAL

Good Cause Item 13 DMS/USA Southern Command Lease

REQUEST: Consideration of a request to approve a 10-year lease, with four 10-year renewal options, to the Department of Management Services, for 40 acres, more or less, of state-owned land.

COUNTY: Miami-Dade

APPLICANT: Department of Management Services

LOCATION: Section 28, Township 53 South, Range 40 East

CONSIDERATION: \$300 annual administrative fee

STAFF REMARKS: On April 11, 2000, the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) approved a 50-year lease to the United States of America, Southern Command (Southcom) for a 15-acre parcel of state-owned land in Miami-Dade County. The property is located in an unincorporated section of western Miami-Dade County five miles west of the Miami International Airport, and is commonly referred to as the FAA Tract. The FAA Tract was originally acquired from the federal government by the 1903 Gainesville Patent. After granting Southcom the lease for 15 acres, there are still another 50.12 acres at the FAA Tract that remain. Three government agencies had also requested use of space within the FAA Tract, but because Southcom asked that these acres be set aside as a buffer for their activities, the Board of Trustees approved a 5-acre lease to the Department of Management Services (DMS) for a communications facility and deferred action on the other requests encouraging those agencies to look for alternative sites.

At the June 13, 2000, Cabinet meeting, there was extensive discussion involving the remaining 50.12 acres at the FAA Tract. The Governor and Cabinet made a commitment to show their support for Southcom, and stated that we should continue to make land available for future needs of Southcom.

Southcom has outgrown its current facilities and the Department of Defense (DOD) is considering whether to leave the command in Miami or relocate it elsewhere. Southcom would like to expand their current lease area by adding 25 acres immediately west of the existing lease area. This would allow DMS to construct a building on the site for them, thus encouraging DOD to leave the Southcom Headquarters in Miami.

Item 13, cont.

With Miami as the strategically determined home for the Southcom headquarters, the impacts on the community and state as a whole are significant. On an annual basis, Southcom generates an economic impact of over \$107 million (conservatively) annually and employs over 1,250 uniformed and civilian personnel. The factors that originally contributed to locating Southcom in Miami – to include long standing diplomatic relationships; language, cultural, and historic commonalities; trusted financial and economic institutions; and strategic geographic proximity and transportation systems in the region – have proven to withstand the test of time making Miami the most tactical location in the nation. Miami is readily acknowledged as the Gateway to the Americas, and the presence of Southcom reinforces that recognition and underpins Florida's bid to secure the Permanent Secretariat of the Free Trade Area of the Americas (FTAA) in Miami.

Logistically, Southcom's current location in Miami maximizes convenient access to the airport and "centrality" from other mission support perspectives. The centralized location maximizes access to various housing options located in areas supported by schools with top county test scores and offers best flexibility for spouse employment. The current location also provides secure access via efficient transportation routes relative to higher density alternatives.

The main Southcom Headquarters is currently located in a fixed-term leased building in Dade County, the term of which expires in February 2008. Southcom also leases office space in several other buildings nearby to accommodate overflow of civilian and uniformed personnel and the missions they perform. Several attempts were made in past years to secure federal funding to purchase the land under which the Southcom Headquarters currently sits; however, to no avail. Other attempts to consolidate operations and personnel into a common facility and location have also been met with limited success to date.

If the Board of Trustees approves the lease over all 40 acres, DMS proposes to construct a Class A office building, with square footage sufficient to meet Southcom's total personnel and mission requirements. The acreage also provides for an adequate security buffer as required. This new facility will be constructed to Southcom's specific requirements and leased to DOD. In that the land is owned by the State, and Florida will be the leaseholder, DOD will be ensured a stable rent far below market value because the base rent would only be on the state's construction costs and not land costs.

It is anticipated that DOD would save conservatively at least \$5 per square foot compared to other alternatives. Using a 300,000 square foot building as an example, the above terms would net DOD a minimum savings of \$15 million over a ten-year lease term. It would be DMS' intent to have this building ready for occupancy within approximately two years of bidding out the construction work, thereby meeting DOD's lease termination in their main headquarters building.

Although the Department of Environmental Protection, Division of State Lands (DSL), has been delegated the authority to approved leases to governmental entities, the FAA tract has generated heightened public interest as it represents one of the state's most valuable assets. The property was appraised at \$9,925,000 in 1989. The initial lease to Southcom was for no consideration based on the then-estimated economic impact of \$107 million on the local economy. For this reason, DSL staff is prepared to recommend approval of a 10-year lease, with four 10-year renewal options, which will include the original 15-acre parcel and the additional 25-acres requested for a total of 40 acres. The Board of Trustees and Southcom will execute a release of lease under delegation of authority for the 15-acre parcel, and the Board of Trustees will enter into a lease with DMS for the total 40 acres.

(See Attachment 13, Pages 1-14)

RECOMMEND APPROVAL OF 10-YEAR LEASE, WITH FOUR 10-YEAR RENEWAL OPTIONS, TO DMS FOR 40 ACRES, MORE OF LESS, OF STATE-OWNED LAND FOR NO CONSIDERATION.