

T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

DIVISION OF BOND FINANCE
DEPARTMENT OF LAW ENFORCEMENT
ADMINISTRATION COMMISSION
BOARD OF TRUSTEES - SWFWMD
POWER PLAN SITING BOARD
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before
THE FLORIDA CABINET, The Honorable Governor Bush
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Wednesday, June 1,
2005, commencing at approximately 9:58 a.m.

Reported by:

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Representing the Florida Cabinet:

JEB BUSH
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

CHARLIE CRIST
Attorney General

TOM GALLAGHER
Chief Financial Officer

* * *

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1 P R O C E E D I N G S

2 GOVERNOR BUSH: The next cabinet meeting will
3 be Thursday, June 16th at the Harborside Events
4 Center in Fort Myers, Florida. We welcome you all
5 to come.

6 Division of Bond Finance.

7 CFO GALLAGHER: Motion on the minutes.

8 ATTORNEY GENERAL CRIST: Second.

9 GOVERNOR BUSH: There's a motion and a second.
10 Without objection, Item 1 passes.

11 MR. WATKINS: Item Number 2 is a resolution
12 authorizing the competitive sale of up to \$100
13 million in Florida Forever revenue bonds.

14 CFO GALLAGHER: Motion on 2.

15 ATTORNEY GENERAL CRIST: Second.

16 GOVERNOR BUSH: There's a motion and a second.
17 Without objection, the item passes.

18 That's pretty quick, Ben. I mean, we just
19 signed the budget yesterday, and you're --

20 MR. WATKINS: We went a year --

21 GOVERNOR BUSH: -- already trying to spend 100
22 million bucks.

23 MR. WATKINS: Just being ready, Governor.

24 GOVERNOR BUSH: All right.

25 MR. WATKINS: We still have some cash left over

1 from last year that will be utilized before we get
2 into this, but we wanted to go ahead and get the
3 authorization.

4 GOVERNOR BUSH: Just in case rates drop?

5 MR. WATKINS: Yes, sir.

6 GOVERNOR BUSH: All right.

7 MR. WATKINS: Item Number 3 are multi-part
8 resolutions. Resolution number 1 authorizes the
9 competitive sale of up to \$34 million in Florida
10 State University housing bonds, the second part is
11 up to \$31.7 million for Florida State University
12 housing bonds, and the third part is up to \$12.7
13 million in housing facility refunding bonds.

14 CFO GALLAGHER: Motion on 3.

15 ATTORNEY GENERAL CRIST: Second.

16 GOVERNOR BUSH: There's a motion and a second.
17 Without objection, the item passes.

18 MR. WATKINS: Items 4 through 6, in keeping
19 with the theme of always being prepared like the Boy
20 Scouts, we're going to get -- asking for
21 authorization on three different refundings so that
22 in the event that market conditions improve over the
23 summer, we'll be ready to execute.

24 CFO GALLAGHER: Motion on 4 through 6.

25 COMMISSIONER BRONSON: Second.

1 GOVERNOR BUSH: There's motions on Items 4, 5,
2 and 6. Without objection, the items pass. Very
3 smart.

4 MR. WATKINS: Thank you, sir. Item Number --

5 GOVERNOR BUSH: What's going on with long-term
6 rates? Are you surprised?

7 MR. WATKINS: I remain surprised, or
8 flabbergasted is a better word, that long rates are
9 where they are a year and a half later.
10 Conventional wisdom was that long rates were going
11 to rise with the economic recovery, and that has not
12 happened. In fact, yesterday, we had a 10 basis
13 point improvement in the 30-year Treasury, so the
14 30-year Treasury closed at about 4.3 percent. And
15 two-year rates are at 3.5 percent, so go figure.
16 But, you know, as long as the conditions remain as
17 they are, we will stay prepared and take advantage
18 of the opportunities that are offered.

19 CFO GALLAGHER: Ben?

20 MR. WATKINS: Yes, sir.

21 CFO GALLAGHER: This is good news for you, you
22 know, lending long, but tough for us to try to
23 invest.

24 MR. WATKINS: Yes, it is.

25 CFO GALLAGHER: You're borrowing, and we're

1 investing.

2 MR. WATKINS: We're doing our part,
3 Mr. Treasurer.

4 Item Number 7 is a report of award on the
5 competitive sale of \$290,055,000 in capital outlay
6 bonds for school construction. There was
7 \$21,145,000 in new money bonds, 267,910,000 in
8 refunding bonds. The bonds were awarded to the low
9 bidder at a true interest cost of about 3.55
10 percent.

11 CFO GALLAGHER: Motion on 7.

12 ATTORNEY GENERAL CRIST: Second.

13 GOVERNOR BUSH: There's a motion and a second.
14 Without objection, the item passes.

15 MR. WATKINS: And lastly, the last five months
16 have been extraordinary, as I just alluded to, in
17 terms of market condition and long-term rates. They
18 remain extremely low.

19 Just a summary of our refunding activities over
20 the last five months -- it's not included in your
21 materials, but we talked about it last time, and I
22 said I would come back and give you the numbers.
23 We've executed eight transactions since January 1st
24 totaling \$1.6 billion just in refundings, generating
25 savings, gross savings of approximately \$200 million

1 and approximately 143 million on a present value
2 basis. And we have announced a sale. We'll be
3 taking bids today for another 364 million in PECO
4 refundings, so that will be added to those numbers.
5 So we're looking at having executed about \$2 billion
6 in refinancings over the last five months. So we've
7 been busy, and I hope it holds.

8 GOVERNOR BUSH: Ben, are we scheduled to go to
9 New York yet?

10 MR. WATKINS: We're working on that. I'm
11 meeting with your budget director this morning to
12 get that on the calendar.

13 GOVERNOR BUSH: All right. Thank you.

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1 GOVERNOR BUSH: Florida Department of Law
2 Enforcement.

3 CFO GALLAGHER: Motion on the minutes.

4 COMMISSIONER BRONSON: Second.

5 GOVERNOR BUSH: There's a motion and a second.
6 Without objection, Item 1 passes.

7 Item 2.

8 MR. TUNNELL: Good morning, Governor and
9 members of the Cabinet. It's a pleasure to be here
10 this morning. I should have delayed a little
11 longer. Maybe you would have finished all my
12 business for me before I got up here.

13 CFO GALLAGHER: It has happened.

14 MR. TUNNELL: I believe it.

15 Before I begin my comments on the other two
16 items that we have on the agenda, I would like to
17 mention as well my congratulations to the Troopers
18 of the Year that were recognized a few minutes ago.
19 As you all know, not too long ago we just finished
20 our annual memorial service for law enforcement
21 officers here on the Capitol steps, and certainly a
22 well-worn phrase comes to mind for me. It says
23 something like this: Greater love has no man than
24 this than to lay down his life for a friend. And I
25 think the actions of the troopers on that particular

1 day is representative of not only the greatness in
2 that agency, the people that they have, but also, as
3 I've traveled the state in my current capacity and
4 seen our law enforcement officers throughout the
5 State of Florida, we've got a great bunch of folks
6 out there, and they are indeed willing to go above
7 and beyond, and I think it's important that we
8 recognize them. Thank you for doing that.

9 The second item is our third quarter
10 performance report for the period ending March 31st
11 and our contracts, agreements, and purchases over
12 \$100,000 for the same time period.

13 On the forensic side of our house, as a matter
14 of information, we've just completed 66,000 service
15 requests this year, and we certainly expect to
16 comfortably exceed our standard of 73,000 by the end
17 of the fiscal year. We received through the
18 legislative session that just finished 20 new
19 scientist positions. We're very pleased with that.
20 These positions will be allocated throughout not
21 only our DNA, but our firearms analysis, our
22 latents, and our chemistry disciplines throughout
23 the state. This was a much needed boost, and we
24 certainly appreciate the Cabinet's support in that
25 regard as we look at the growing demand almost every

1 day for those services.

2 As you know, we're in the process of being
3 accredited by the American Society of Crime Lab
4 Directors. I finally figured out what that ASCLD
5 stood for. At the last Cabinet meeting, "directors"
6 was the operative word. We just received the
7 initial report. It looks very promising. We're
8 pleased with the results. There were no quality
9 issues found in their overview, just some
10 administrative things that we're working on, and we
11 fully anticipate receiving our complete
12 reaccreditation either in late 2005 this year or
13 early next year.

14 In terms of investigations, certainly the Super
15 Bowl in Jacksonville was a major event for us during
16 this third quarter. The FDLE facility there in
17 Jacksonville, our regional operations center was the
18 staging area for the FBI's joint operations and
19 intelligence centers. We had 50 teams of local,
20 state, and federal law enforcement resources that
21 worked out of that facility. We provided security
22 for hotels, motorcades, practice fields,
23 dignitaries, of which we counted two presidents and
24 six -- two former presidents and six state
25 governors. We had over 100 FDLE personnel assigned

1 to that operation alone.

2 The Legislature did appropriate a number of
3 resources for us in terms of investigations for this
4 upcoming fiscal year, positions for our build-out of
5 pharmaceutical drug diversion teams. Last year, you
6 may recall, we had four positions that were
7 approved. This year we received another four agent
8 positions. These teams coordinate enforcement,
9 prosecution, and regulatory activities throughout
10 the state when it comes to pharmaceutical diversion
11 efforts. The results thus far have been very good,
12 very promising. As of December 2004, the group
13 seized over \$1 million worth of prescription drugs.
14 Sixty-nine people were arrested. They investigated
15 eight doctors and uncovered numerous Internet
16 pharmacies distributing controlled substances
17 illegally on the Internet. These four new positions
18 will serve to establish similar teams in
19 Jacksonville, Fort Myers, Tampa, and Pensacola.

20 On the information program side, certainly
21 missing children and sexual predators has been at
22 the forefront for all of us this past year. Our
23 missing children analysts have worked over 4,200
24 cases thus far. Over the last five years, with the
25 inclusion of DCF's electronically filed cases

1 through our offices, our caseload has increased over
2 500 percent. This session we received one FTE for
3 the Amber Alert training program. We also got
4 funding for two mobile leads tracking systems which
5 will assist our CART teams, our child abduction
6 response teams that have been very active and I
7 think very helpful for particularly local law
8 enforcement.

9 As you know, we recently completed our sexual
10 predator initiative, the SOAP operation, Sexual
11 Offender Apprehension Program. We located over 500
12 absconders. We also recently rolled out a new Web
13 site, www.floridasexoffender.net. It's very easy
14 for citizens to remember. The site had over 3
15 million hits last month. Typically we get about
16 450,000 to that site. We also added a new
17 neighborhood search function to the Web site that
18 allows citizens to search a one- to five-mile radius
19 from any given location.

20 During this session that just completed, we
21 received nine FTEs as part of the Jessica Lunsford
22 Act. These positions will help us provide
23 analytical assistance to law enforcement in locating
24 absconded offenders. Also, they will serve to
25 support the increased workload within our shop due

1 to the new biannual check requirement for sexual
2 predators.

3 CFO GALLAGHER: Let me just congratulate you
4 on the new Web site, because it --

5 MR. TUNNELL: Thank you.

6 CFO GALLAGHER: -- truly gives somebody a very
7 usable piece of equipment to -- you know, instead of
8 trying to guess where somebody lives and how close
9 they are, they can put their own address in, and it
10 will give them, you know, within a circumference any
11 predators that live there.

12 I would like you to look at one other thing
13 that I think might be good to add to that, and that
14 would be to also let those neighbors know what
15 vehicles these people may own, because when a
16 predator is, you know, traveling around the
17 neighborhood, they're usually not walking. They're
18 in a vehicle. And it would give people an
19 opportunity to get not only the address where they
20 live nearby, but also what vehicle or vehicles they
21 may own. And it's public information already. You
22 can look up a license number and find out who owns
23 the car. But to have them tied together, it may
24 take some effort to do, but I think that would
25 really be an assistance to the person that would use

1 the Web site.

2 MR. TUNNELL: Yes, sir. I think anything we
3 can put out there in the form of information is
4 certainly going to be an asset to the citizens and
5 improve the safety for children, so that's something
6 we'll be more than happy to look at. I'm not sure
7 all the ramifications -- being a little weak on the
8 IT side, I'm not sure what that might entail.

9 CFO GALLAGHER: Well, I'm sure it's something
10 somebody can figure out. It may take a while, but I
11 think it's a worthwhile effort to look into.

12 MR. TUNNELL: We certainly will. Thank you for
13 that suggestion. We'll be glad to do that.

14 That was Item Number 2.

15 CFO GALLAGHER: Motion on 2.

16 ATTORNEY GENERAL CRIST: Second.

17 GOVERNOR BUSH: There's a motion and a second.
18 Without objection, the item passes.

19 Item 3.

20 MR. TUNNELL: The third item is our agency
21 performance contract for FY '05-06. This contains
22 the 53 outcomes for our agency to deliver on for the
23 next fiscal year. They're essentially the same
24 measures required of us this year with some minor
25 modifications. We take this performance contract

1 very seriously. These goals are what help steer our
2 agency throughout the course of the year, as you
3 know. These measures are reflected in the
4 individual work plans throughout FDLE. This is
5 what, in turn, keeps all of our 1,900-plus members
6 focused on what is expected of them by you as well
7 as the citizens of the great state of Florida.

8 CFO GALLAGHER: Now, let me ask you a question
9 here.

10 MR. TUNNELL: Yes, sir.

11 CFO GALLAGHER: Most of these move in the right
12 direction, you know, the days it takes to complete
13 lab services, et cetera. A couple of them look to
14 me like they may be going in the other direction,
15 and maybe I'm reading it wrong. The number and
16 percent of criminal investigations closed, whereas
17 existing was 1,277, you moved it to 900. Is that
18 moving in a -- like hoping to close less rather than
19 more?

20 MR. TUNNELL: Actually, those --

21 CFO GALLAGHER: Yet the percentages stay the
22 same.

23 MR. TUNNELL: Yes, sir. Some of these issues,
24 as we looked at them over the course of the year,
25 they weren't really that reflective of some of the

1 activity that we've been involved in. Certainly we
2 won't focus on quantity versus quality necessarily.
3 And this last year you heard the report from Craig
4 Fugate about our hurricane efforts, and certainly
5 our folks were very much involved in that effort, as
6 well as the Super Bowl, the Free Trade Summit, and a
7 number of other special events that aren't
8 reflective of the total picture of the cases that we
9 work or the activity that we're involved in.

10 CFO GALLAGHER: Well, that does take away from
11 cases worked, obviously.

12 MR. TUNNELL: It does, yes, sir. It certainly
13 does. And that was part of the problem. We haven't
14 really -- I don't want to say we haven't reached
15 those numbers in three or four years, but they
16 weren't very realistic because of these other
17 activities that weren't taken into account, so we're
18 hoping to counter that change in numbers.

19 CFO GALLAGHER: All right. That would explain
20 this last year. But what I'm worried -- do you
21 expect to have that same number of special projects
22 that would be affecting this coming year, or are you
23 just figuring something always comes up?

24 MR. TUNNELL: Well, yes, on both counts,
25 really, certainly as we've heard the predictions for

1 the hurricane season, and we expect to have events
2 ongoing.

3 CFO GALLAGHER: Well, the next Super Bowl isn't
4 until 2009, so we've got a little time on that.

5 MR. TUNNELL: We've got a breather from that.
6 Hopefully we'll have some breathers -- we'll have a
7 breather on the hurricane season as well.

8 CFO GALLAGHER: All right.

9 GOVERNOR BUSH: Is there a motion?

10 ATTORNEY GENERAL CRIST: Motion.

11 COMMISSIONER BRONSON: Second.

12 GOVERNOR BUSH: There's a motion and a second.
13 Without objection, the item is approved. Thank you,
14 Guy.

15 MR. TUNNELL: Thank you very much.

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1 GOVERNOR BUSH: Administration Commission.

2 CFO GALLAGHER: Motion on the minutes.

3 GOVERNOR BUSH: T-squared.

4 ATTORNEY GENERAL CRIST: Second.

5 GOVERNOR BUSH: There's a motion and a second
6 on Item 1. Without objection, the item passes.

7 MS. TINKER: Item 2, recommend approval of the
8 amended draft order for the University Campus Master
9 Plan. We have several speakers on this item,
10 Governor. Five folks are here representing the
11 petitioners, and they've agreed to limit their time
12 to three minutes each. The first speaker is Pamela
13 Hatley.

14 GOVERNOR BUSH: Good morning.

15 MS. HATLEY: Good morning, Governor Bush and
16 Cabinet members. I'm Pamela Jo Hatley. I'm an
17 attorney. I represent the petitioners. The
18 petitioners thank the Administration Commission for
19 this opportunity to address you this morning
20 concerning their objections to the University of
21 Florida's Campus Master Plan Amendment.

22 Nelson Blake, historian and author, in his
23 book, *Land into Water, Water into Land*, spoke of the
24 environmental degradation that was caused by
25 unchecked growth that was spurred by Florida

1 boosters in the 18th and early -- in the 19th and
2 early 20th Centuries. Mr. Blake described the
3 gradual evolution of environmental awareness that
4 culminated in the 1970s growth management and water
5 resources legislation. Mr. Blake concluded that not
6 all growth is good. Growth is bad when it causes
7 breakdowns in the water supply, it results in
8 polluted rivers and lakes, and it drains vital
9 wetlands and destroys rare and sensitive ecosystems.

10 Mr. Bush, as Governor of Florida, you've proven
11 yourself to be a leader who understands how
12 essential in Florida it is to carefully manage
13 growth and protect Florida's unique environment.
14 For example, almost weekly I read notices of the
15 State's acquisition of lands for conservation and
16 preservation purposes. In addition, you
17 commissioned a study and signed into law last year
18 legislation designed to protect the Wekiva River
19 basin while allowing construction of the very needed
20 Wekiva Parkway.

21 Today, Governor Bush and Cabinet members, the
22 petitioners strongly urge the Administration
23 Commission to delay issuing a final order until the
24 Commission carefully considers the petitioners'
25 objections to the University's Campus Master Plan,

1 and particularly as those objections relate to
2 certain projects and land use designations planned
3 by University boosters, not unlike the 19th and 20th
4 Century Florida boosters, that will result in
5 adverse impacts to surrounding communities,
6 breakdown of water supply, pollution of lakes and
7 rivers, and draining of wetlands and destruction of
8 sensitive ecosystems on the public lands on which
9 the University lies.

10 The petitioners have today four speakers. One
11 is an expert hydroecologist and three are members of
12 the surrounding affected communities. The first
13 speaker, Dr. Sydney Bacchus, has 30 years of
14 experience in groundwater/surface water interactions
15 in karst aquifer systems like that here in Florida.
16 Dr. Bacchus has personal knowledge spanning 40 years
17 of the public lands on which the University lies.
18 Dr. Bacchus will address inconsistencies and
19 noncompliance issues with the University's Campus
20 Master Plan, especially as regards designation of
21 conservation lands and master stormwater permit
22 deficiencies.

23 And now I'll turn the speaker stand over to
24 Dr. Bacchus.

25 GOVERNOR BUSH: Thank you.

1 DR. BACCHUS: Good morning. Thank you for the
2 opportunity to speak to you today.

3 One of the first issues I would like to
4 address, if I can get the overhead projector here,
5 is the issue of floodplain data. There was a
6 floodplain study done by FEMA. This is a map of the
7 original floodplain at part of the University of
8 Central Florida's off-site wetlands. This was the
9 revised floodplain map that was done without public
10 input subsequent to a study that was done by
11 Singhofen & Associates, and that study was
12 specifically addressing one single subdivision. But
13 consequently, that data was applied countywide. And
14 that information is in the packet that Ms. Eberle
15 gave you.

16 The second issue that I would like to address
17 is the intensity and specific land use issue. The
18 statutes require that specific land use and
19 intensity of that land use be addressed. This is
20 the land use plan that the University of Central
21 Florida has developed. And this area in here was
22 designated as a general recreation open space area.
23 There was no specific land use designated for that
24 area, although they intended to put intramural
25 fields there, unpaved intramural fields, which would

1 be considered as a low intensity land use. Another
2 example of a low intensity land use would be unpaved
3 nature trails that would qualify as a recreation
4 open space area. Examples of high intensity land
5 use in recreation open space areas would be
6 collegiate sports stadiums or golf courses that
7 would involve excavations down into the water table
8 and application of herbicides and pesticides.

9 This area in here I'll show you on this next
10 map was heavily forested. That area is adjacent to
11 an area right here next to their conservation and
12 preservation areas where an actual mining operation
13 was initiated. This area was logged. This area was
14 initiated into a sand mine operation area to create
15 fill for the campus. Those were land use activities
16 that were not identified in the plan.

17 Now, I'm going to show you some photographs.
18 Those were all included in my affidavit in
19 Attachment 3. They aren't in the mini packet that
20 Ms. Eberle prepared for you, but you can see them in
21 my affidavit. This is the actual area that was
22 logged before the extensive fill was placed in it.
23 You can see sandhill cranes standing in the
24 foreground.

25 Across the street is the area where the mining

1 operation was initiated. This is some shots of the
2 mine that show the magnitude. Here's Ms. Eberle
3 standing there. She's five foot five. The mine is
4 basically four to five times deeper than Ms. Eberle
5 is tall. Those excavations into the water table
6 actually permanently and irreversibly lower the
7 water table. In your report, there is a
8 professional geologist's report that identifies that
9 since the University of Central Florida was
10 constructed, the water levels have been lowered five
11 to ten feet. That was just through 2001.

12 So here are some photographs of the damage that
13 has occurred to the natural areas and buffers.
14 There are a number of photos. This was dewatering
15 through the natural area and buffer into the upper
16 wetland pond that was constructed that also was
17 excavated into the water table. The trees are dying
18 here. That is a buffer that was designated to be
19 preserved, and conservation area. Here are more
20 buffer areas that are dying. That's because the
21 water table has been pulled down. The roots decay
22 in the trees. This is in another buffer area, a
23 natural area. The trees fall over. This is another
24 area, this is another area, this is another area,
25 and these are the wetlands.

1 So if you total up those areas using the
2 approved stormwater improvement plan that was dated
3 August 10, 1993, you come up with a total of 39
4 percent loss of those natural areas and conservation
5 areas that were designated to be preserved in that
6 plan. So I'm going to turn that over to Ms. Eberle
7 now. And that also was inconsistent with the
8 statutory requirements.

9 Thank you.

10 GOVERNOR BUSH: Thank you.

11 MS. EBERLE: Governor Bush and Cabinet members,
12 I appreciate the opportunity to speak.

13 Under the master plan statute, you are
14 ultimately responsible for holding UCF accountable.
15 It is time for checks and balances for a campus
16 growth plan that is out of control and shows no
17 regards for the rights of neighbors. Therefore, we
18 request that you apply the statutory criteria
19 assessing UCF's compliance with 1013.30, the
20 comparative hardships between the parties, and most
21 importantly, the public interest.

22 Please convey permanent conservation easements
23 through state lands over the arboretum and northwest
24 quadrant. St. Johns Water Management District
25 public records indicate that the arboretum was to be

1 preserved as part of a mitigation plan. These are
2 rare and unique lands that need to be protected in
3 perpetuity. Assure UCF adheres to local, state, and
4 federal laws, to include environmental impact
5 studies and permitting criteria. Require UCF to
6 obtain permits prior to starting construction. UCF
7 has violated the law by constructing buildings,
8 parking lots, and roads without permits.

9 Direct FEMA to conduct comprehensive floodplain
10 studies on UCF's campus and surrounding areas
11 because of inconsistencies, groundwater impacts, and
12 floodplain elevational changes. FEMA must
13 investigate criteria allowing changes in the
14 100-year floodplain. The 1985 floodplain study of
15 the Econ Rivers by Singhofen lowered the floodplain
16 elevations by six feet near UCF. Thousands of homes
17 were built on faulty information, leaving homeowners
18 without flood insurance protection.

19 Preserve the 218-acre east parcel as mitigation
20 for UCF's environmental damage.

21 GOVERNOR BUSH: I'm sorry. Which parcel?

22 MS. EBERLE: The east parcel. It's the one
23 where they're proposing the golf course and the
24 mixed use. Over 1,900 acres of stormwater runoff is
25 funneled through this land, consisting of listed

1 plant and animal species that UCF has designated for
2 a golf course and mixed use development.

3 Conduct public hearings and agency review on
4 the proposed 45,000-seat football stadium and
5 1013.30 as a major amendment to UCF's master plan.
6 Direct UCF not to spend more money on the northwest
7 site, as it is incompatible with the surrounding
8 off-campus community and the fragile,
9 environmentally sensitive lands on the east campus.

10 Increase campus housing to 35 percent to safely
11 house students. Off-campus housing crime is a huge
12 problem, as evidenced by crime statistics and calls
13 for service to the sheriff's department. Please see
14 the more than 70 pages of incidents in the notebook
15 that I gave you. Instigate a task force to tackle
16 off-campus crime and living conditions.

17 Please, Governor Bush, please, veto House Bill
18 517.

19 GOVERNOR BUSH: Which one is that?

20 MS. EBERLE: House Bill 517.

21 GOVERNOR BUSH: But what's it about?

22 MS. EBERLE: It's about campus master plans and
23 accountability. It limits public participation on
24 UCF's master plans and other state university master
25 plans. Just like other educational institutions,

1 UCF must be held to high standards of responsibility
2 and accountability for impacts to the community.
3 It's your job to see that they do.

4 And, Governor Bush, I have the highest praise
5 for you and what you've done for education for the
6 State of Florida with elementary and secondary
7 education. I wish and hope that you would do the
8 same for the universities.

9 And the last thing I would like to do is enter
10 into public records the proposed final order which
11 you will find in your notebook. I think it's on the
12 left as you open the notebook. It's our proposed
13 final order, and it talks about -- it's in addition
14 to things that we've talked about before. Please
15 take that into consideration.

16 GOVERNOR BUSH: Thank you.

17 MS. EBERLE: Thank you very much.

18 MS. KLEE: Good morning, Governor Bush and
19 Cabinet members. My name is Laura Klee. I'm a
20 resident of Orange County.

21 UCF planners could not have chosen a worse
22 location on the entire campus for this football
23 stadium. The north site is in direct violation of
24 Florida Statute 1013.30, as it is incompatible with
25 the surrounding community, by UCF's own admission.

1 This created a need for the University to hide this
2 project from public review, even though they have
3 discussed having a football stadium for over 20
4 years. They never included it in a master plan, and
5 the November 30th plan was approved by the Board of
6 Trustees recently.

7 UCF's failure to properly disclose their future
8 plans limits the County's ability to plan
9 right-of-ways and services if they are unaware of
10 such a project. I'm sure county planners would not
11 have recommended single-home communities to be built
12 in proximity to this type of commercial endeavor or
13 near roadways. The University did not analyze
14 alternative sites in their feasibility study, even
15 though the southwest area can accommodate a
16 six-story building where activities would not have
17 the same impact on a research park and student
18 housing.

19 GOVERNOR BUSH: I'm sorry. When you say the
20 southwest property, the southwest property --

21 MS. KLEE: This is a picture of the south area
22 down close. It backs up to the research park area.

23 GOVERNOR BUSH: Okay. Thank you.

24 MS. KLEE: I've got a picture later that shows
25 it. Excuse me.

1 I'm sure that county planners would not have
2 recommended such single-home communities near this
3 site.

4 The University -- excuse me. Their intention
5 to keep all intramural activities on the south
6 location may be an ideal, but it's not a necessity.
7 Most universities have their fields spread across
8 campus with no hardships to the students, including
9 the University of Florida, South Florida, and FIT,
10 to name a few.

11 The Board of Trustees has discussed numerous
12 events that will be held in this facility which will
13 be necessary to pay down the \$43 million debt
14 incurred by the project. They have already
15 authorized expenditures of 1.5 million, and the
16 project has yet to be approved.

17 I am deeply concerned by the growth management
18 practices of UCF. The administration has fostered
19 an environment of mistrust in the local community
20 and has bullied and run roughshod over the
21 neighbors. We as homeowners in the area only wish
22 to preserve the integrity of the land, our property
23 values, quality of life, and maintain
24 accountability. If the Board of Trustees determines
25 the stadium is feasible, we are not opposed to the

1 project, just the location. Over 2,000 homes will
2 be impacted by the light and noise pollution, as
3 well as traffic and safety issues by its close
4 proximity.

5 The administration states it would be difficult
6 to move, and adjacencies are critical. They only
7 mean their adjacencies within the campus, not with
8 the surrounding community, as required by law.

9 UCF hopes to complete this project by the fall
10 of 2006, a schedule that will not allow for major
11 amendments requiring public hearings. Even this
12 process has been faulty, as UCF stated on the last
13 two master plans that they made no changes based on
14 the public's input. This demonstrates a lack of
15 good faith and a true partnership in the public
16 participation process.

17 As our elected officials, we ask that you
18 address those agencies that have circumvented the
19 process for the sake of big money plays. People
20 have been threatened over this stadium. That's not
21 a virtue I think the State would support. I believe
22 UCF has used its power, position, and donors to
23 manipulate the law, take away rights, and control
24 information. The residents were denied a public
25 hearing by their Orange County Commissioners and

1 only granted a working session where no action could
2 be taken.

3 This is one of the largest projects to be
4 completed in this area with the most impact to
5 taxpayers and with the most restrictive planning to
6 date.

7 The most basic principle of land use planning
8 is compatibility with surrounding communities. The
9 University is trying to attract high-tech executives
10 and industries, many of whom live in these
11 communities. Would you fight to stop construction
12 of a six-story, 65,000-seat stadium only 1,400 feet
13 from your home? So would we.

14 On behalf of UCF neighbors, we sincerely thank
15 you for your time.

16 GOVERNOR BUSH: Thank you for coming up to
17 Tallahassee. Appreciate it.

18 Yes, ma'am.

19 MS. DORIAN: I will be quick and close this up.
20 My name is Linda Culver Dorian. I'm a resident of
21 Orange County. And I appreciate the opportunity to
22 speak to you and the honorable Cabinet members here.

23 In closing, I would just ask that you as
24 members of the Commission who have the weighty
25 responsibility of finally deciding what's going to

1 happen with this master plan and how it's going to
2 proceed to review once again those criteria that I'm
3 sure you're familiar with, and that is the nature of
4 the issues in dispute, the compliance of the parties
5 with the law -- we think UCF has been substantially
6 noncompliant here -- the relative hardship to the
7 parties in petitioners' request here, and most
8 importantly, and I'm sure what guides your decisions
9 every day, all of you, is what serves the public
10 interest.

11 We ask that you defer your decision today until
12 you have time to fully review all the facts on this
13 very important matter. We ask that you require UCF
14 to submit its stealth stadium as a major amendment
15 to be reviewed under the law as it exists today. We
16 ask that you tell UCF unequivocally that it cannot
17 build a stadium on the northeast site because it is,
18 under the statute, incompatible with surrounding
19 communities of single-family homes. We have two
20 communities, one of 800 homes, another of 400, that
21 border very closely the location of this stadium
22 that will ultimately accommodate 65,000 people.
23 We've had homeowners who have sales or contracts for
24 their homes and had those contracts canceled when
25 the buyers saw that the stadium was on the drawing

1 board.

2 We ask that you implement the recommendations
3 that we have presented to preserve and protect the
4 remaining environmentally sensitive lands on campus,
5 and we ask that you veto House Bill 517. And,
6 Governor, I know you referred to that earlier.

7 GOVERNOR BUSH: I wrote it down.

8 MS. DORIAN: You have that.

9 GOVERNOR BUSH: There's 400 bills, so I
10 apologize.

11 MS. DORIAN: That's only fair.

12 GOVERNOR BUSH: I sometimes feel like I'm so
13 stupid that I don't know every bill, but --

14 MS. DORIAN: No, sir. No, sir. We know there
15 are bills coming to your desk today.

16 This bill is a bill written by UCF for UCF, and
17 it will make public participation more costly, in
18 fact, cost-prohibitive, risk-prohibitive for
19 challengers like us. I mean, look at how many folks
20 UCF has up here today, taxpayer funded. And then
21 the rest of us come at our expense to represent the
22 public interest.

23 This bill is unnecessary, and it should not be
24 used as a reward to a university that has shown
25 consistently noncompliance and has failed to proceed

1 in the entire public participation process in a
2 manner of good faith. They have not changed the
3 master plan in one substantive respect based on
4 volumes of public comment. Now, that is public
5 participation in name only, but not in any spirit.
6 It requires good faith and a genuine colloquy
7 between the parties. That has not happened here.
8 And the public's right to participate should not be
9 further restricted by this ill-conceived bill.

10 Thank you very much.

11 GOVERNOR BUSH: Thank you.

12 MS. DORIAN: And we appreciate the opportunity.

13 COMMISSIONER BRONSON: I have a question.

14 GOVERNOR BUSH: Commissioner.

15 COMMISSIONER BRONSON: Thank you, Governor.

16 I was following what you were saying, and I'm
17 looking at this map, and I'm trying to figure out,
18 if they don't put the field in the open space that's
19 already there, where else, because you've already
20 said don't let them take down any more of the --

21 MS. DORIAN: Oh, there is space available for
22 this, and we have favored this space and did speak
23 in favor of this as members of the public, on the
24 southwest quadrant of the campus. They do have
25 space for the stadium. So they can go ahead and

1 proceed with the stadium.

2 Now, the University has stated publicly that it
3 doesn't want to place it there because they want to
4 use that area for intramural sports. Well, it's
5 customary on most university campuses, FSU, FIU, and
6 the University of Florida, that the intramural
7 sports are at various locations on campus. Now,
8 this is a much more appropriate site. It was not
9 bordered by any single-family residential
10 communities. It is land that is zoned either
11 industrial or commercial, or across the street you
12 have apartments occupied -- apartments and co-ops
13 that are occupied, or duplexes that are occupied
14 principally by University of Florida students. So
15 you also have the advantage that the students can
16 walk across the road and do not have to get in their
17 cars and overburden these already overburdened
18 roadways like Alafaya Trail.

19 Moreover, the southwest site is highly
20 desirable because it is right off of the East-West
21 Expressway and a major connector, which is Colonial
22 Drive. So it is much more desirable and much more
23 easily accessible.

24 And we think, Commissioner, if you balance the
25 equities of UCF would just prefer to have all their

1 intramural sports in one location, well, other
2 universities accommodate it. It's very commonly
3 done. You spread it out, vis-a-vis on the other
4 side having the property values and quality of life
5 completely destroyed in these single-family
6 residential communities that have been long
7 established and built out for over ten years. Our
8 county planners and Seminole County planners would
9 never have placed those single-family communities
10 there if they had a shadow of a doubt that one day
11 they were going to be facing a 65,000-capacity
12 stadium right next door.

13 Also --

14 GOVERNOR BUSH: This has been the longest
15 answer to --

16 MS. DORIAN: I'm sorry. The roadways at the
17 north location --

18 GOVERNOR BUSH: I'm impressed that you can talk
19 and breathe, I mean, continue to breathe.

20 MS. DORIAN: I'm good at that. I'm good at
21 that.

22 GOVERNOR BUSH: You're very good.

23 MS. DORIAN: But also, in the northern
24 location, we only have two-lane roadways as opposed
25 to an east-west highway. So we have a much better

1 delivery of traffic at the southwest location.

2 I'm sorry if the answer is too long, but I
3 wanted to be --

4 GOVERNOR BUSH: No, you've been quite in
5 depth.

6 MS. DORIAN: Okay. Thank you, Governor. I
7 appreciate it.

8 CFO GALLAGHER: I have one quick question.

9 GOVERNOR BUSH: Are you looking for a quick
10 answer or a quick question?

11 MS. DORIAN: I'll be quick.

12 CFO GALLAGHER: If I was a homeowner and I had
13 a choice of having intramural fields -- and if
14 you'll go down and see what happens at the FSU
15 intramural field, which are lit up every night,
16 there's hundreds and hundreds of people playing
17 sports on those fields day and -- right on into the
18 evening until 11 o'clock, 12 o'clock at night. So
19 you've got the lights and you've got the noise on
20 the intramural fields, all those things happening
21 every day, pretty much all year round, as opposed to
22 a stadium that gets used six, eight, nine times a
23 year. I would rather have the stadium. I don't
24 understand where you're coming from.

25 MS. DORIAN: Okay. Well, let me explain, and I

1 think my colleague here, Ms. Klee, has something to
2 say on this. For one thing, the intramural fields,
3 the lighting is not as high as it would be in a
4 stadium. The noise, the attendance of crowds at
5 intramural sports is not the same as you have at a
6 --

7 CFO GALLAGHER: But that's six times a year,
8 seven --

9 MS. DORIAN: No, sir, it isn't. What the
10 University has submitted is that they would be using
11 it six times a year for home games. That is not the
12 case. The University Board of Trustees has
13 discussed using that stadium, and indeed, they
14 intend to use that stadium for any number of
15 purposes, political events, rallies, religious
16 events, high school football playoffs, music events,
17 band practice, homecoming, and other competitions.

18 And indeed, sir, the Board of Trustees for the
19 University may be under -- if they have
20 underanticipated the cost and overanticipated the
21 attendance at these events, they will be under
22 pressure as Trustees in terms of their own fiduciary
23 obligations to rent that out for every single event
24 they can rent it out for to generate income to pay
25 down that debt. So we're not talking about six home

1 games. We're talking about unlimited use. In fact,
2 Dr. Hitt said at a Board of Trustees meeting this
3 spring that he would refuse to commit to ever
4 placing a limit on the number of events that would
5 be in that stadium because that would be an evolving
6 process.

7 CFO GALLAGHER: Okay.

8 MS. DORIAN: So we're not talking about six
9 games. We're talking about unlimited use.

10 CFO GALLAGHER: Okay. Thank you.

11 GOVERNOR BUSH: Thank you very much.

12 Now, Teresa, can you come back to the
13 microphone here for a second? We're going to hear
14 from --

15 MS. TINKER: Representatives of the University.

16 GOVERNOR BUSH: All right. And then
17 afterwards, maybe you could tell us exactly what is
18 in front of us.

19 MS. TINKER: Yes, sir.

20 GOVERNOR BUSH: We -- you forgot that part.

21 MS. TINKER: Okay. The first speaker for the
22 University is Brenda Durden, the attorney
23 representing the University of Central Florida.

24 GOVERNOR BUSH: Good morning.

25 MS. DURDEN: Good morning. For the record, my

1 name is Brenda Durden with Lewis, Longman & Walker.
2 Good morning, Governor and honorable members of the
3 Cabinet.

4 As you know, the University of Central Florida
5 had updated its Campus Master Plan in November, the
6 end of November of 2004. That was in accordance
7 with the statute that requires an update to occur
8 every five years. The process was actually started
9 in early '04, and the University worked very hard
10 over that period, over that year to adopt amendments
11 that addressed the University's needs, the students'
12 needs for the plan period, which is out to 2015.
13 The University also worked hard to complete those in
14 accordance with the statutes and the regulations,
15 and most especially to seek out public participation
16 and community involvement.

17 You've heard this morning that there's a
18 concern that the public participation was not
19 adequate and public participation in the future will
20 not be adequate. I would just like to tell you that
21 during the course of the year that this amendment
22 was before the University, the Board of Trustees
23 themselves held three public hearings. In addition
24 to those public hearings, there were numerous
25 informational meetings. There were offers to meet

1 with individual homeowners associations and groups.
2 And there was significant information put on the
3 University's Web site and made available by hard
4 copy. Notices were put into the newspapers for when
5 meetings would occur. And even the agency comments
6 that were received were also put on the Web site and
7 made available. The public participation was --

8 GOVERNOR BUSH: Excuse us.

9 MS. DURDEN: No problem. God bless you.

10 We believe that the public participation was
11 significant. The University considers it to be a
12 foundation of its Campus Master Plan and is
13 committed to continuing to seek out that community
14 involvement and public participation.

15 As reflected in the Department of Community
16 Affairs' report, we believe that the 2004 amendment
17 did in fact comply with the statutes and regulations
18 and went above and beyond some of the other
19 requirements that are contained therein. We also
20 think that it addresses the needs of the University
21 and the students for providing education to not just
22 Central Florida residents, but to students
23 throughout the state, and in fact throughout the
24 United States.

25 We wish to acknowledge the Department of

1 Community Affairs for their timely and detailed
2 report. We think it's soundly based and provides
3 great guidance to you in making a decision today.
4 We also want to acknowledge your Cabinet aides, who
5 have worked diligently with all of the parties to
6 get us to the hearing today.

7 As part of those negotiations and discussions,
8 the football stadium, which was an issue, I want to
9 make it clear for the record two things: One, it
10 was not a part of the '04 plan. Therefore, a
11 complaint challenging that it should have been part
12 of the plan is really premature.

13 However, in the spirit of compromise, and
14 because we recognize that there was significant
15 concern about public participation, and for the
16 record today, I want to make it very clear that the
17 University of Central Florida has voluntarily agreed
18 to adopt -- if it adopts an amendment for an
19 on-campus football stadium, it will do so pursuant
20 to the provisions for a major amendment which are
21 set out in 1013.36 and 7. That major amendment
22 brings into play all the public participation, all
23 the hearings, all the notices that have to be
24 published in the newspaper, all the requests for
25 information from the agencies. For the record

1 today, please let me make it clear that the
2 University has agreed to follow that process.

3 CFO GALLAGHER: Let me ask a question. Does
4 517 change any of those things you just went
5 through?

6 MS. DURDEN: It actually adds to it. It
7 requires a third meeting. The two public hearings
8 are still the minimum. Remember, I said that even
9 in the 2004 amendment, the University held three
10 public hearings. The statute still requires the two
11 public hearings. In addition, it requires an
12 informational meeting for the public. All of those
13 must still be noticed and advertised in the
14 newspaper.

15 Quite frankly, we are confounded by the
16 objection to the statute as it was changed. It
17 actually clarifies the process. It requires it to
18 -- it sets forth a very clear process that it would
19 follow if there was a challenge to it. Before the
20 challenge, if there is no challenge, before the
21 challenge it only adds to the public participation.
22 It is not --

23 GOVERNOR BUSH: But I think the Treasurer's
24 question -- maybe I'm wrong, but I thought the
25 question was, notwithstanding what I decide to do

1 with that bill, your commitment stands about --

2 MS. DURDEN: Absolutely, absolutely. The
3 commitment stands, yes, sir.

4 CFO GALLAGHER: Right. That bill also takes
5 away the Administration Commission oversight.

6 MS. DURDEN: Yes. It sets forth -- as is
7 similar for many, for most administrative
8 proceedings, what it does is, it sends it -- if
9 there is a challenge, then it goes from the
10 University to the DOAH process, which is a very
11 clear process that you are certainly very familiar
12 with and one that we think gives everybody an
13 easier, actually clearer picture and process to
14 adhere to.

15 CFO GALLAGHER: Well, I think that's something
16 that we usually do also, you know, in order to get
17 findings of fact, et cetera. Don't we normally send
18 those, or not?

19 MS. TINKER: We don't send the campus plan
20 proceedings to the Division of Administrative
21 Hearings. That process is a little different in the
22 statute than what you're typically used to, which
23 are the local government comprehensive plan
24 amendments. The Department of Community Affairs for
25 the purposes of the campus master plans actually

1 conducts an informal proceeding where they take
2 evidence and testimony, and then the Department
3 presents a report and recommendations to the
4 Administration Commission, which is what we base our
5 -- you base your final decision on.

6 For local government comprehensive plans,
7 you're absolutely right, sir, we do send those to
8 the Division of Administrative Hearings for a formal
9 hearing and a recommended order from the hearing
10 officer.

11 CFO GALLAGHER: So my guess would be that if
12 one wanted to go fight one of these as a citizen,
13 they can come here without hiring a lawyer and
14 without having a whole bunch discovery and
15 everything else and present their side, whereas if
16 it was only going directly over to an administrative
17 hearing, somebody has got to hire a lawyer. They're
18 going to have to do discovery, and they're going to
19 have to present an entire case in that
20 quasi-courtroom in order to challenge what a campus
21 would want to do. Is that pretty much right?

22 MS. TINKER: That could be the case. You do
23 have to have a qualified representative at the
24 Division of Administrative Hearings. It doesn't
25 necessarily have to be an attorney.

1 CFO GALLAGHER: So it probably would --

2 GOVERNOR BUSH: It would be an attorney.

3 CFO GALLAGHER: It would be a cost, whereas
4 there's no cost to come here. We're open, and
5 anybody can discuss anything they want.

6 MS. TINKER: It could be. It could be.

7 CFO GALLAGHER: Okay.

8 MS. DURDEN: I would just note that in the two
9 challenges that the University has received
10 regarding its Campus Master Plan, each time they
11 have been represented by counsel.

12 I also just want to quickly say for the record
13 that you heard some discussion regarding logging and
14 mining on the campus. I want to make it clear that
15 those activities are not logging, and they're not
16 mining. Those activities are pursuant to a
17 St. Johns River Water Management District permit
18 that has been issued for stormwater infrastructure.

19 I appreciate the time today. If you do have
20 questions, we're certainly here. And at this time,
21 I would like to introduce Dr. John Hitt, president
22 of the University.

23 GOVERNOR BUSH: Thank you. Good morning,
24 Mr. President.

25 DR. HITT: Good morning, Governor and honorable

1 members of the Cabinet. I just would like to thank
2 you for the time you've given this issue today and
3 really say that we've been gratified by the report
4 the DCA produced and the recommended order, the
5 draft order that we've seen from your Cabinet aides.

6 I would also like to thank our Trustees who
7 have come today. We certainly attach a great deal
8 of importance to the master planning process, and I
9 think their presence here today speaks to that. Our
10 Chairman, Dick Nunis, is here, and Vice Chair Tom
11 Yochum. Trustees Judy Albertson, Olga Calvet, Manoj
12 Chopra, Tico Perez, and Rick Walsh are also here,
13 and we thank them for taking the time out of very
14 busy schedules to come in support of the University
15 today.

16 We really feel that we have gone beyond, and
17 DCA in their report agrees with this, that we have
18 gone beyond the requirements of public
19 participation. We think we've got a good sound
20 master plan. I would note that the stadium which
21 we've heard so much discussed today is not part of
22 the current master plan, and DCA held it indeed not
23 be. We have voluntarily stipulated that we will do
24 a major amendment to the master plan if you adopt it
25 or approve it today on the stadium. We've already

1 had three public hearings before the Trustees on if
2 matter. We will have more. I'm sure we'll hear the
3 same arguments we've heard in the past, but we will
4 give them the courteous attention that they deserve
5 and will proceed with a very open and transparent
6 process toward whatever conclusion we reach on the
7 stadium. We're committed to that.

8 GOVERNOR BUSH: If you could -- the part of
9 this I don't understand is, if this stadium has been
10 -- the planning has been under way for a while, why
11 wasn't it part of the master plan?

12 DR. HITT: The stadium was not seriously
13 considered until after the master plan had been
14 adopted, Governor. We had a good friend of the
15 University who came to us with the notion that we
16 could build a stadium at an acceptable cost. The
17 first discussion that was had on that with me, not
18 by this friend, but by our athletics director, Steve
19 Orsini, was October 29th. The plan was approved in
20 November. I had not met with representatives who
21 could quote costs convincingly until December. And
22 try as people might, they can't change those facts.
23 We had had a previous study done on a stadium that
24 had said that it would cost \$107 million for a
25 40,000-seat stadium. Governor, I wouldn't spend

1 that much of anybody's money for a 40,000-seat
2 stadium, so I ruled it out.

3 It now develops that we can build a 45,000-seat
4 stadium for on the order of \$43 million. That's an
5 acceptable and good cost. I'm happy to put that
6 forward as a project. But it wasn't even before us
7 as a viable project until early December.

8 GOVERNOR BUSH: Thank you.

9 DR. HITT: The master plan was approved late
10 November.

11 COMMISSIONER BRONSON: Governor, could I ask a
12 question?

13 GOVERNOR BUSH: Sure.

14 COMMISSIONER BRONSON: President Hitt, you
15 heard earlier mention about the southwest corner.
16 Compared to where you want to put the stadium up in
17 the other corner, compared to this one, what's the
18 difference between those two as far as land size,
19 application to your existing area, those types of
20 things? It doesn't appear to be as big an area as
21 what's up in the other corner, but what other
22 constraints would there be if you looked at that
23 area?

24 DR. HITT: You know, I could give you a fairly
25 good answer on that, but let me call on Bill Merck,

1 our Vice President for Administration and Finance,
2 who has studied that in detail.

3 Let me just say that the site we're proposing
4 has a lot more to commend it, and being adjacent to
5 the training facilities for intercollegiate
6 athletics, the weight training facilities and sports
7 medicine facilities, and a number of other features,
8 and I think it's better from a transportation
9 standpoint as well, contrary to what you've heard
10 this morning.

11 COMMISSIONER BRONSON: In other words, those
12 facilities are already in place?

13 DR. HITT: Yes, they are. They are, and
14 they're very important and expensive facilities that
15 would be at some distance from a stadium located on
16 the southwest site. But let me turn the mike over
17 to Bill Merck.

18 MR. MERCK: Thank you, Dr. Hitt. Good
19 morning.

20 GOVERNOR BUSH: Good morning.

21 MR. MERCK: There's a few points that I think
22 are important to make about the various locations.
23 First of all, when we did look at a stadium a few
24 years ago, the area in the south was considered as a
25 potential site that could actually physically just

1 intramural activities, we think the southern area is
2 a much, much better location to keep them together.
3 And the idea of dispersing those fields all
4 throughout the campus and managing 11,000
5 participants isn't practical.

6 One last comment about the traffic. The way we
7 plan to control traffic, assuming the stadium is put
8 into place, is through color coding tickets and
9 parking passes so that we control the entries that
10 people come into the campus on. So it's almost
11 irrelevant whether the stadium would be on the south
12 or the north based on the entry, the flow of
13 traffic. We can control that.

14 But finally, let me just say that the stadium
15 is really not a part of the issue today; it's the
16 master plan.

17 GOVERNOR BUSH: I know. We haven't had one
18 question on the master plan yet.

19 MR. MERCK: Thank you very much. Is there
20 anything else I can say about that?

21 GOVERNOR BUSH: Thank you.

22 COMMISSIONER BRONSON: No. I just -- I wanted
23 to get that clear, because I could see that it did
24 appear to be a difference in the size and the shape
25 and so forth.

1 DR. HITT: But it's a better fit up there, no
2 question.

3 MR. MERCK: But just to conclude for my part,
4 the issues truly are separate. We were expecting to
5 address the master plan here today, and we fully
6 expect to be addressing the stadium in the future.

7 DR. HITT: One more stadium matter. You've
8 heard a lot about unlimited use of the stadium.
9 We're talking about a football stadium. There has
10 been mention of perhaps a political rally. In the
11 last presidential campaign, one of the campaigns
12 contacted us wanting to do a rally on campus. We
13 didn't have a place to put it. That might fit in a
14 stadium.

15 We haven't really given serious consideration
16 to high school playoffs. Somebody mentioned that,
17 but I'm dubious about it.

18 The religious events, right now Caroline
19 Methodist Church holds their sunrise service in our
20 arena. Someone said -- it might have been me
21 originally. I'm not sure whether I heard it from
22 someone or said it myself, maybe they would want to
23 hold a sunrise service in the stadium. And this
24 gets magnified a bit, I'm afraid.

25 But we're talking about a football stadium

1 where we're going to play our home games. That's
2 six, maybe seven games a year, and there might be
3 another two or three events that take place in a
4 given year.

5 GOVERNOR BUSH: Can I ask a question about the
6 master plan?

7 DR. HITT: Yes, sir. I would be delighted if
8 you would.

9 GOVERNOR BUSH: Why not have a conservation
10 easement on the conservation areas?

11 DR. HITT: Well, that issue was dealt with a
12 year ago, and I believe it was members of your
13 staff, Governor, who pointed out that that would
14 give over control to the St. Johns River Water
15 Management District and not to the State Land Trust,
16 and it was held to be an undesirable resolution.
17 And it was one of those points in the consent order
18 that both parties entered into just a little over a
19 year ago that we would not do that. So we're
20 revisiting an issue that was disposed of before this
21 group --

22 GOVERNOR BUSH: Well, this is -- aren't we
23 talking about a different part?

24 DR. HITT: No, sir, exactly the same parcels of
25 land. And the parties here before you today signed

1 a consent order with us about 13 months ago saying
2 that that land would not be put into a conservation
3 easement. They're revisiting issues that were
4 adjudicated before this group 13 months ago.

5 GOVERNOR BUSH: Teresa, can you refresh my
6 memory on that? Obviously, I need a refresher.

7 MS. TINKER: There was an agreement between the
8 parties several months ago when the original Campus
9 Master Plan was here, and what the order required is
10 that they put the land in the appropriate land use
11 designation. How they defined conservation and the
12 future intent of the use of it would have to be
13 dealt with in the policies of the comprehensive
14 plan.

15 Chanta just handed me the order from your
16 original proceeding, if you want me to just read you
17 the section. "The Commission hereby requires the
18 University to amend its 2000 plan to include on its
19 future land use map the designation of all existing
20 conservation easements on the University's campus."
21 Those are ones that were already determined to be
22 conservation easements by the Water Management
23 District. "The University shall amend its 2000 plan
24 to add the requisite goals, policies, and objectives
25 that ensure that this conservation easement land use

1 designation shall recognize lands of significant
2 environmental importance which have been set aside
3 in perpetuity pursuant to a recorded conservation
4 easement with the St. Johns River Water Management
5 District."

6 DR. HITT: And there are over 300 such acres on
7 the campus.

8 GOVERNOR BUSH: Okay. Any other questions?
9 Thank you, Mr. President.

10 Now -- oh, you want to close? Please.

11 MS. DURDEN: Very briefly. In conclusion, we
12 would ask you to approve the amended draft final
13 order that has been recommended for approval by your
14 staff. Thank you very much.

15 GOVERNOR BUSH: Thank you.

16 CFO GALLAGHER: I move Item 2.

17 COMMISSIONER BRONSON: Second.

18 GOVERNOR BUSH: There's a motion and a second.
19 Teresa, would you like -- I guess my fellow
20 Administration Commission members understand what
21 we're voting on, so you don't want to repeat it.
22 You know exactly what we're --

23 CFO GALLAGHER: Yes. We've got a plan.

24 GOVERNOR BUSH: Okay. There's a motion and a
25 second. Any other discussion?

1 Without objection, the item passes.

2 MS. TINKER: Thank you, sir.

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1 GOVERNOR BUSH: Southwest Florida Water
2 Management District.

3 CFO GALLAGHER: Motion on the minutes.

4 ATTORNEY GENERAL CRIST: Second.

5 GOVERNOR BUSH: There's a motion and a second.
6 Without objection, the item passes.

7 Item 2.

8 MR. HEUER: Good morning, Mr. Governor and
9 members of the Cabinet. My name is John Heuer. I'm
10 with the Southwest Florida Water Management
11 District.

12 CFO GALLAGHER: This is actually the Board of
13 Trustees meeting.

14 GOVERNOR BUSH: I'm sorry. This is the Board
15 of Trustees meeting.

16 MR. HEUER: The project that's before you is a
17 project that the Water Management District has been
18 evaluating since December of 19 -- of 2003. The
19 project, to give you an orientation locationwise,
20 it's approximately five miles downstream from the
21 Lake Manatee dam and about seven miles upstream from
22 the mouth of Tampa Bay.

23 To zoom in a little closer on the project, this
24 is the last phase of a multiphase subdivision that
25 started construction back in the mid '80s. And what

1 was proposed before, what was proposed through the
2 environmental resource permitting application was a
3 227-acre subdivision which would result in 178
4 additional lots fronting on the Manatee River. The
5 project is fronting on the Manatee River.

6 To kind of orient you a little bit more on the
7 property, zooming in, looking at aerial photography,
8 off to the right here is the Ft. Hamer Road, and the
9 project boundary is outlined here in yellow. And
10 this photo was taken during the winter of 2003-2004,
11 to kind of orient you. The property since the 1950s
12 was used for agricultural purposes, mainly row
13 crops, tomatoes, peppers, and cucumbers.

14 So the question is, what's before you today is,
15 the applicant here is requesting some activities on
16 sovereign submerged land. The first activity that
17 they're looking at is opening up a formal connection
18 between this 83-acre wetland and the Manatee River.
19 This area in here was closed sometime in the early
20 '50s as part of an agricultural road through the
21 project. So as the result of this, the applicant is
22 requesting an easement on the -- a private easement
23 to allow that to be opened up. A ConSpan bridge
24 will be constructed across there. That would allow
25 then for reconnection of this wetland system, and

1 then eventually it would then flow back through
2 another connection that's not on sovereign submerged
3 lands back through to Wetland 2, so that opens that
4 up.

5 The next thing that the applicant is requesting
6 is a letter of consent for a small -- for a
7 canoe/boat, a boat ramp and a courtesy dock, along
8 with temporary mooring facilities for when they
9 launch the boat. In addition to that, they plan on
10 abandoning an existing boat ramp and two docks down
11 in this section of the property.

12 And last, what they're asking for is a
13 connection to a cut which will allow their
14 floodplain compensation lakes which is proposed to
15 allow for the -- to meet the floodplain impacts in
16 the environmental resource permit, to allow that
17 connection back to the river.

18 GOVERNOR BUSH: Okay.

19 MR. HEUER: And what the applicant has provided
20 now is a conservation easement granted to the Water
21 Management District and the Board of Trustees over,
22 in the case of the Water Management District, their
23 wetland mitigation area, and then the remainder of
24 that over for the Board of Trustees.

25 In addition to that, the applicant recently, as

1 of yesterday, has proposed to provide a conservation
2 easement over this island to Manatee County. And an
3 oral representation has been made this morning that
4 the applicant is also willing to amend that, what
5 was in the letter, to give the right of enforcement
6 to the Board of Trustees.

7 GOVERNOR BUSH: It doesn't look like there's
8 any loss of wetlands in this proposal.

9 MR. HEUER: There are some loss of wetlands,
10 not sovereign submerged lands. There's some up in
11 this area, and then through here as they restore the
12 areas. It's mainly Brazilian pepper. There's in
13 this area --

14 GOVERNOR BUSH: Brazilian pepper, you call that
15 wetland?

16 MR. HEUER: It still fits the wetland
17 definition. There's a total of approximately .66 --

18 CFO GALLAGHER: The more they take out, the
19 better off they are.

20 MR. HEUER: -- acres of sovereign submerged
21 land, a little bit -- a little less than two acres
22 of wetlands, and the mitigation back will provide --

23 GOVERNOR BUSH: But they're restoring that.

24 MR. HEUER: They're restoring it, exactly.

25 GOVERNOR BUSH: There's a person interested in

1 wetland issues in the room, and I just wanted to
2 make sure they were awake.

3 MR. HEUER: We still count the Brazilian
4 peppers as wetlands. And their proposal is, of
5 course, to go ahead and restore that area. One of
6 the things, they'll be cutting down into this area
7 in here, which would then allow for tidal
8 interaction, and the additional saltwater will help
9 control any nuisance and exotic species.

10 So in conclusion, the environmental resource
11 permit was approved by our governing board in April
12 2005. Throughout this entire process, we've been
13 communicating with DEP staff to ensure that the
14 project not only meets ERP requirements, but also
15 that as we move forward on sovereign submerged land,
16 we kept them in communication.

17 Of course, staff is recommending approval of
18 the project.

19 CFO GALLAGHER: Governor.

20 GOVERNOR BUSH: Treasurer.

21 CFO GALLAGHER: In the letter dated yesterday
22 that was just referred to, the applicant agreed to
23 donate a conservation easement over the island that
24 they own, and that island, as you might have seen,
25 was located between the Manatee River and the

1 Wilderness Development. It's the main channel
2 there, and they agreed to donate that conservation
3 easement.

4 So I would like to move the item, conditioned
5 on the conveyance of a conservation easement of the
6 island to Manatee County, with the Board of Trustees
7 as a third-party beneficiary. Therefore, the County
8 will be required to obtain the approval of the Board
9 of Trustees before releasing or amending the
10 conservation easement.

11 GOVERNOR BUSH: There's a motion.

12 ATTORNEY GENERAL CRIST: Second.

13 GOVERNOR BUSH: And a second. Any discussion?
14 Without objection, the motion passes.

15 Thank you. Nice presentation, by the way.

16 MR. HEUER: Thank you.

17 GOVERNOR BUSH: Good PowerPoint.

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1 GOVERNOR BUSH: Power Plant Siting Board.

2 CFO GALLAGHER: Motion on the minutes.

3 ATTORNEY GENERAL CRIST: Second.

4 GOVERNOR BUSH: There's a motion and a second.

5 Without objection, Item 1 passes.

6 MS. CASTILLE: Item 2 is -- good morning,
7 Governor and members of the Cabinet. Item 2 is
8 Progress Energy final order of certification of the
9 Hines Energy Complex Power Block 4, which will
10 provide a total capacity with all four generators of
11 3,000 megawatts of power, which was anticipated at
12 the initial time of approval of this project in
13 1994.

14 CFO GALLAGHER: Motion on 2.

15 ATTORNEY GENERAL CRIST: Second.

16 GOVERNOR BUSH: There's a motion and a second.

17 Any discussion? Without objection, the item passes.

18 Thank you.

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1 GOVERNOR BUSH: Board of Trustees.

2 CFO GALLAGHER: Motion on the minutes.

3 ATTORNEY GENERAL CRIST: Second.

4 GOVERNOR BUSH: There's a motion and a second.

5 Without objection, the item passes.

6 Item 2.

7 MS. CASTILLE: Item 2 is a Nature Conservancy
8 option agreement for the purchase of property in
9 Blackwater River State Forest. It's an additions
10 and inholdings project.

11 CFO GALLAGHER: Motion on 2.

12 ATTORNEY GENERAL CRIST: Second.

13 GOVERNOR BUSH: There's a motion and a second.

14 Without objection, Item 2 passes.

15 MS. CASTILLE: Item 3. Governor and members of
16 the Cabinet, this is a declaratory statement based
17 on a petition that was filed by Mr. Robin Lewis for
18 a question as to the Board of Trustees' authority
19 and duty relating to the damage to sovereignty
20 submerged lands. Mr. Lewis, you may remember, was
21 one of the Port Manatee consultants who helped on
22 restoring a couple of the spoil dredge islands into
23 some bird habitat and the saltwater wetlands in that
24 area. So he's very good at what he does. He has
25 won awards for his projects, and he is on the

1 Seagrass Advisory Council with the Fish and Wildlife
2 Conservation Commission.

3 As this advisory council was going through
4 their -- the identified problems with seagrass
5 protection, one of the things that Mr. Lewis was
6 curious about and could not -- we couldn't get a
7 straight answer between the two agencies, and so --

8 GOVERNOR BUSH: What a surprise that is,
9 Secretary.

10 MS. CASTILLE: Well, we now have a straight
11 answer between the two agencies. So we both have --
12 he filed two declaratory statement petitions, one
13 with the Department of Environmental Protection and
14 one with the Fish and Wildlife Conservation
15 Commission. We have coordinated with the Fish and
16 Wildlife Conservation Commission and identified that
17 the problem that we can deal with is willful and
18 negligent destruction of our seagrass beds and that
19 we have the authority to file administrative fines
20 against someone who would be found guilty of that.

21 CFO GALLAGHER: Motion on 3.

22 ATTORNEY GENERAL CRIST: Second.

23 GOVERNOR BUSH: There's a motion and a second.
24 Any discussion? Without objection, the item passes.

25 MS. CASTILLE: I think Mr. Lewis --

1 GOVERNOR BUSH: Mr. Lewis, do you want to
2 speak, even though your resolution just passed?

3 MR. LEWIS: If I could for just a second.

4 GOVERNOR BUSH: Sure.

5 MR. LEWIS: My name is Robin Lewis. I'm a
6 resident of Marion County. I appreciate you talking
7 about my previous work.

8 I wanted to make sure that you understood that
9 this wasn't a frivolous attempt to get information.
10 I generally have been asking questions about
11 seagrass protection in Florida for -- it's hard to
12 believe this, but for 25 years, and there has been
13 some difficulty in getting clarification about the
14 protection of seagrasses. We have reached a point
15 here with this declaratory statement which I believe
16 clarifies some of those points. I haven't seen
17 documents from the Fish and Wildlife Conservation
18 Commission yet regarding what exactly they intend to
19 describe as their enforcement capabilities.

20 As you are already aware, in most cases we can
21 identify wetland areas or seagrass areas as
22 essential for Florida and in need of protection.
23 The real question is when the rubber hits the road,
24 can we really enforce these laws? Are they being
25 enforced? Are these resources being protected?

1 Now, that still remains an open question, and we may
2 return to that here at some point. I may bring
3 clarification or ask for further clarification.
4 I'm very satisfied, however, at this point with your
5 staff's bringing the issue up and agreeing with the
6 declaratory statement, and thank you very much for
7 that.

8 CFO GALLAGHER: And, Mr. Lewis, if I may --

9 MR. LEWIS: Yes, please.

10 CFO GALLAGHER: I would like to add that
11 although these kind of exercises probably get
12 bureaucrats all nervous and worried, I think it's
13 real good to have the introspection as to what we do
14 in regard to these laws, and I think you've kindled
15 that fire, and I think that's a good thing.

16 MR. LEWIS: Thank you very much.

17 CFO GALLAGHER: So I appreciate what you've
18 done, even though it probably caused a lot of
19 consternation across the different areas of our
20 bureaucracy. But I think it's an important thing
21 that they get to look at it, because they can't make
22 the declaratory statement without examining it
23 themselves.

24 MR. LEWIS: Right. Thank you.

25 GOVERNOR BUSH: Thank you, sir.

1 MS. CASTILLE: And Ken Haddad and I have
2 spoken, and we intend to enter into a memorandum of
3 understanding about how our departments will work
4 together on enforcement and collections.

5 CFO GALLAGHER: Which is another good thing
6 that Mr. Lewis has caused to happen.

7 MS. CASTILLE: Yes, he has. Yes, he has.

8 Item 4. Item 4 is the proposed settlement
9 agreement between the Board of Trustees and the
10 Department of Environmental Protection and Coastal
11 Petroleum Company which resolves all claims for
12 leases under Numbers 224-A and 224-B and 248.

13 Governor and members of the Cabinet, it is my
14 pleasure to bring to you once again the culmination
15 of many years of work and litigation. With this
16 \$12.5 million settlement, Coastal will surrender all
17 all rights and interests --

18 CFO GALLAGHER: Hallelujah.

19 COMMISSIONER BRONSON: Motion on Item 4.

20 CFO GALLAGHER: Second.

21 ATTORNEY GENERAL CRIST: Second.

22 GOVERNOR BUSH: There's a motion and a second.

23 Do you have anybody here that would like to speak?

24 MS. CASTILLE: Absolutely, Governor.

25 GOVERNOR BUSH: I thought so.

1 MS. CASTILLE: There are many people who have
2 been involved in this over the years. Parker
3 Thomson has been just a great help in helping get us
4 to this point. But Monica Rimer is here as well
5 from the Attorney General's office, and I would like
6 her to come speak. She has been historically --
7 actually, one of the historians on the issue as well
8 as one of the attorneys.

9 CFO GALLAGHER: How many years has she been
10 working on this? As long as I can remember, I
11 think.

12 MS. RIMER: Eighteen.

13 CFO GALLAGHER: Eighteen years.

14 MS. RIMER: Eighteen.

15 MS. CASTILLE: Come on up, Monica.

16 GOVERNOR BUSH: Good morning, Monica.

17 MS. RIMER: Monica Rimer, who is currently with
18 Earth Justice, but was formerly with the Attorney
19 General's Office and still works, obviously, with
20 the Attorney General's Office on Coastal Petroleum
21 issues.

22 First of all, I am here also representing the
23 environmental groups, and we applaud this
24 settlement. I don't want anybody thinking that
25 we're here criticizing the settlement in any way.

1 We certainly are not.

2 What I would like to do is simply emphasize the
3 historic nature of what you're going to do today. I
4 mean, you are not simply settling a lawsuit. You
5 are settling a half century of litigation with
6 Coastal Petroleum. And what I would like to do is
7 sort of bring to the fore some of the former public
8 servants of the State of Florida on whose shoulders
9 you stand in reaching the opportunity that you all
10 are going to have to end that half century of
11 litigation.

12 The Florida Attorney General's Office has been
13 involved in Coastal Petroleum litigation since 1944
14 when Attorney General Tom Watson sued the rest of
15 the Cabinet over their decision to enter into the
16 Coastal Petroleum leases.

17 CFO GALLAGHER: Wait a minute. How much did we
18 receive for these leases? Do you know what the
19 dollars were back then?

20 MS. RIMER: How much did you all receive?

21 GOVERNOR BUSH: It's in here.

22 MS. CASTILLE: We have that figure.

23 CFO GALLAGHER: I'm sure it would be --

24 MS. RIMER: Not enough.

25 CFO GALLAGHER: Well, I'm sure it's not. I

1 can't wait to hear how much it is.

2 GOVERNOR BUSH: \$2,668,000 in fees for the
3 three leases.

4 CFO GALLAGHER: That's it? That's what we --

5 MS. CASTILLE: That's it, 2.6 million.

6 MS. RIMER: So Tom Watson sued the rest of the
7 Cabinet over their decision to enter into these
8 leases, seeking to void the leases. Unfortunately,
9 he did not succeed. But what he did get was a
10 decision from the Florida Supreme Court in a case
11 called Watson v. Holland which emphasized the public
12 trust nature of these lands, the submerged lands
13 that these leases covered. And it was that language
14 in that case which has been relied upon for 50 years
15 by federal and state courts to find that Coastal did
16 not have the rights that Coastal had been asserting
17 as far as what it could permissibly do with the
18 leases that it had received.

19 Next, Claude Kirk. A little known fact, Claude
20 Kirk was probably the first environmental governor
21 that this state had. I think one of my favorite
22 documents of all the Coastal Petroleum documents is
23 a transcript of a meeting with Claude Kirk
24 manhandling the chief of the Corps of Engineers over
25 some flimsy -- Coastal tried to get permits to mine

1 limestone from the bed of Lake Okeechobee. This was
2 back in the '60s. Claude Kirk brought lawsuits
3 along with Attorney General Shevin. They were not
4 always in sync, but they did both bring lawsuits.

5 Coastal Petroleum sued a decade later. This
6 august body entered into another historic settlement
7 agreement in 1976. That settlement agreement was
8 signed by Governor Rubin Askew. That settlement
9 agreement and the terms of that settlement agreement
10 is actually what became the critical issue in the
11 lawsuit that you are sort of really settling today.
12 Governor Rubin Askew and Joe Cresse, who are
13 probably two of the finest public servants the State
14 of Florida has ever seen, actually sort of walked
15 the talk, and they came and they testified at this
16 trial. Joe Cresse actually got out of a hospital
17 bed to do this. And their testimony was absolutely
18 critical to winning this lawsuit.

19 Next, Attorney General Bob Butterworth.
20 Attorney General Bob Butterworth came into office in
21 1986 and took on the Peace River litigation, which
22 was another decade of Coastal Petroleum related
23 litigation that was ongoing at the time that he took
24 office. He put the reputation of the Attorney
25 General's Office on the line by wrenching the

1 lawsuit away from a private law firm at a time when
2 the outlook on that case looked very bleak -- this
3 is when I entered the story -- and nine months later
4 emerged with another settlement agreement, also
5 signed by the Board of Trustees in the Peace River
6 litigation, ending ten years of litigation.

7 Over the next 16 years of Bob Butterworth's
8 tenure as the Attorney General, he supported the
9 efforts of the environmental groups, participated in
10 no less than probably eight or nine cases during
11 that 16 years, in one of which I sued DEP over their
12 intent to issue an oil drilling permit for an oil
13 well about nine miles off the coast of Franklin --
14 of St. George Island. And for overseeing the
15 lawsuit, the takings case, which -- you know, it's
16 not talked about now, but this was a billion-dollar
17 takings case that the State was looking at that was
18 being litigated.

19 We would particularly like to thank Attorney
20 General Crist for continuing the efforts of the
21 Florida Attorney General's office, particularly in
22 getting Parker Thomson involved in this case, one of
23 the great lawyers I think in the State of Florida,
24 who was I think absolutely critical in negotiating
25 this settlement, and Governor Bush's office and his

1 counsel, Charles Canady at the time, through whom we
2 received the services Roger Marzulla, who also
3 participated in the lawsuit as well.

4 So in sum -- and, of course, we would like to
5 thank all the people in the State of Florida who
6 made a decision as long ago as the 1940s that they
7 did not want to see their coastline look like
8 Louisiana's. So we would just like to thank you,
9 but I would like you to know that this is a very,
10 very historic event.

11 CFO GALLAGHER: I have a question. The one
12 thing you didn't say is how Coastal Petroleum first
13 got the lease. And is that -- do we have to wait
14 and read your book on this for that?

15 MS. RIMER: What actually happened was that the
16 leases -- there were three leases that were entered
17 into back in like 1941, each of which covered
18 approximately 4, 5 million acres of land. Actually,
19 there was a firm called Arnold Oil Corporation which
20 was actually three brothers. They never did
21 anything with the lease. What happened is that
22 William F. Buckley, Sr. found out about the leases
23 and came down and through the services of -- well,
24 actually, Lykes Brothers participated as well, but
25 William F. Buckley, Sr. obtained the leases, and it

1 has been his public corporation that he started back
2 in the 1950s that has held the leases right up until
3 today.

4 CFO GALLAGHER: Thank you. You could write a
5 book on this, by the way.

6 MS. RIMER: I could. I often threatened to.
7 Thank you very much.

8 GOVERNOR BUSH: Thank you.

9 CFO GALLAGHER: Thank you. A great Florida
10 steward.

11 MS. RIMER: Thank you so much for the
12 settlement.

13 GOVERNOR BUSH: Thank you. Thank you very
14 much.

15 Colleen, are there any other speakers?

16 MS. CASTILLE: No, sir. I just want to thank
17 Monica, Jon Glogau, Tom Beason, and a host of other
18 attorneys and staff members in the department, in
19 both departments who have just helped tremendously
20 to get this where it is today.

21 An administrative thing that is kind of mundane
22 after your action to approve this settlement
23 agreement, but we have two settlement agreements,
24 one which you typically any delegate to me to sign
25 the settlement agreement, but we would like to offer

1 the opportunity to sign the settlement agreement
2 yourselves because of its historic nature. And if
3 you would like to do that, we have Tom here who has
4 got that. And then our next step is -- Tom, you can
5 go ahead and take it up there so the Governor and
6 members of the Cabinet can sign it.

7 CFO GALLAGHER: Yes. If you bring it up here
8 now, it will save you about two weeks.

9 MS. CASTILLE: Yes. And we have -- on June
10 15th, we have to bring it to the Legislative Budget
11 Commission to get the money moved into our account
12 to be able to --

13 GOVERNOR BUSH: I think it's important to thank
14 the Florida Legislature as well. This was not on
15 the radar early, and there was no opposition to our
16 request. Thank goodness we're also dealing with a
17 pretty robust budget year that made it possible.
18 But it was -- they understood the magnitude of this
19 and responded at warp speed.

20 MS. CASTILLE: It was certainly warp speed.

21 GOVERNOR BUSH: General Crist?

22 ATTORNEY GENERAL CRIST: Thank you, Governor.
23 I just wanted to thank Monica publicly, and Jon
24 Glogau and David, as well as Parker Thomson for
25 working so hard. And I also want to thank my

1 predecessor, Bob Butterworth, because he is a -- he
2 was a great Attorney General and a great friend, and
3 a gentleman more than anything, and a protector of
4 Florida. And this office did a lot of good things
5 to protect this state, so I want to thank you
6 publicly.

7 MS. CASTILLE: Thank you, General.

8 GOVERNOR BUSH: This is incredible. There's a
9 motion and a second. Without objection, the item
10 passes. I forgot to mention that too.

11 MS. CASTILLE: Thank you, Governor and members
12 of the Cabinet.

13 (Applause.)

14 GOVERNOR BUSH: We'll be with you in a second.

15 I assume this has been reviewed by somebody.
16 Just checking.

17 CFO GALLAGHER: We don't know it, but we just
18 gave away half the State of Florida. Hey, and I get
19 to keep the pen.

20 MS. CASTILLE: And that concludes our agenda.

21 GOVERNOR BUSH: Thank you, Colleen.

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1 GOVERNOR BUSH: State Board of Administration.

2 CFO GALLAGHER: Motion on the minutes.

3 ATTORNEY GENERAL CRIST: Second.

4 GOVERNOR BUSH: There's a motion and a second.

5 Without objection, Item 1 passes.

6 Good morning, Coleman.

7 MR. STIPANOVICH: Good morning, Governor and

8 members.

9 Agenda item number 2 is a request for approval
10 of fiscal sufficiency of an amount not exceeding 310
11 million State of Florida, full faith and credit,
12 Department of Transportation right-of-way
13 acquisition and bridge construction refunding bonds.

14 ATTORNEY GENERAL CRIST: Motion on 2.

15 CFO GALLAGHER: Second.

16 GOVERNOR BUSH: There's a motion and a second.

17 Without objection, the item passes.

18 MR. STIPANOVICH: Item Number 3 is a request
19 for approval of fiscal sufficiency of an amount not
20 exceeding 265 million State of Florida --

21 CFO GALLAGHER: Motion on 3.

22 ATTORNEY GENERAL CRIST: Second.

23 GOVERNOR BUSH: There's a motion and second.

24 Without objection, the item passes.

25 MR. STIPANOVICH: Item Number 4 is a request

1 for approval of fiscal sufficiency of an amount not
2 exceeding 125 million State of Florida, Tampa-
3 Hillsborough County Expressway Authority revenue
4 refunding bonds.

5 ATTORNEY GENERAL CRIST: Motion on 4.

6 CFO GALLAGHER: Second.

7 GOVERNOR BUSH: There's a motion and a second.

8 Without objection, Item 4 passes.

9 MR. STIPANOVICH: Item Number 5 is a request
10 for approval of fiscal sufficiency of an amount not
11 exceeding 34 million State of Florida, Florida
12 Education System, Florida State housing facility
13 revenue bonds.

14 CFO GALLAGHER: Motion on 5.

15 ATTORNEY GENERAL CRIST: Second.

16 GOVERNOR BUSH: There's a motion and a second.

17 Without objection, the item passes.

18 MR. STIPANOVICH: Item 6, request for approval
19 of fiscal sufficiency of an amount not exceeding
20 31,700,000 State of Florida Education System,
21 Florida State University housing revenue bonds.

22 ATTORNEY GENERAL CRIST: Motion on 6.

23 CFO GALLAGHER: Second.

24 GOVERNOR BUSH: There's a motion and a

25 second. Without objection, the item passes.

1 MR. STIPANOVICH: Item Number 7 is a request
2 for approval of fiscal sufficiency of an amount not
3 exceeding 12,700,000 State of Florida, Florida
4 Education System, Florida State University housing
5 facility revenue refunding bonds.

6 CFO GALLAGHER: Motion on 7.

7 ATTORNEY GENERAL CRIST: Second.

8 GOVERNOR BUSH: Motion and second. Without
9 objection, the items passes.

10 MR. STIPANOVICH: Item Number 8 are the five
11 budgets that the State Board of Administration is
12 responsible for presenting. Three of these budgets
13 are the State Board of Administration, the Public
14 Employees Optional Retirement Program, and the
15 Florida Hurricane Catastrophe Fund, which is SBA
16 proper. I also present the Division of Bond Finance
17 and the Florida Prepaid College Program budgets.
18 These are separate budgets from the SBA, in that
19 they are in a separate trust and have separate
20 executive directors that report to a different
21 board, and they prepare their own budgets and
22 present their own budgets --- I mean prepare their
23 own budgets, not simply present them. Bill Nichols,
24 Director of Operations with Florida Prepaid, is here
25 if you have any questions, and Ben has briefed me

1 extensively on his budget.

2 I will say that the State Board of
3 Administration budget is a reduced budget that's
4 being presented to you today. The Public Employees
5 Optional retirement program is a reduced budget
6 proposal as well. The Florida Hurricane Catastrophe
7 Budget has a significant increase, but it's due to
8 the legislation passed and the audit requirements as
9 a result of the unprecedented hurricane season that
10 we just experienced, and this will probably be a
11 temporary budget increase over the next year or two,
12 probably two years.

13 The Division of Bond Finance budget increase
14 has to do with increased number of deals, complexity
15 of deals, and size of deals, and the Florida Prepaid
16 College Program is a very participatory programs.
17 As a program succeeds and grows, inherent in that is
18 increased costs in terms of management fees,
19 custodian fees, recordkeeping, and so on.

20 I would be happy to answer any questions. All
21 these budgets do include, by the way, the proposed
22 3.6 percent increase that the Legislature granted to
23 state employees, as well as the incentive
24 compensation for SBA.

25 CFO GALLAGHER: Well, let me specifically

1 mention, because yours is directly done by us, that
2 I would like to move included in this item 3.6 for
3 the executive director.

4 ATTORNEY GENERAL CRIST: Second.

5 GOVERNOR BUSH: There's a motion and second.
6 As amended, I guess.

7 CFO GALLAGHER: I move -- with that, I'll move
8 Item 8.

9 GOVERNOR BUSH: You want to move Item 8 with
10 the 3.6 percent increase in the director's salary
11 effective August 1, I guess. Any discussion?

12 There's a motion and a second. Without
13 objection, the item passes as amended.

14 Thank you, Coleman.

15 MR. STIPANOVICH: And, Governor, you do have B
16 and C, if you want to take that up. I think that
17 was specifically A. You would have B and C.

18 CFO GALLAGHER: That was all three.

19 MR. STIPANOVICH: It was all three?

20 GOVERNOR BUSH: We did the whole kit and
21 caboodle.

22 MR. STIPANOVICH: Thank you very much.

23 Oh, excuse me, Governor. I am sorry. We have
24 another agenda item. We have the Florida Hurricane
25 Catastrophe Fund request for approval for the

1 rulemaking.

2 CFO GALLAGHER: You sure do.

3 MR. STIPANOVICH: Again, Item 9A is simply the
4 rule --

5 GOVERNOR BUSH: 10A or 9?

6 MR. STIPANOVICH: It would be 9, Governor, the
7 reimbursement premium formula which you've already
8 approved. We're just moving for rulemaking.

9 CFO GALLAGHER: I move 9A and B.

10 ATTORNEY GENERAL CRIST: Second.

11 GOVERNOR BUSH: There's a motion and a second.
12 Without objection, the item passes.

13 MR. STIPANOVICH: Very good. Thank you,
14 Governor. Thank you, members.

15 (Proceedings concluded at 11:30 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, MARY ALLEN NEEL, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter transcribed under my supervision; and that the foregoing pages numbered 1 through 86 are a true and correct transcription of my stenographic notes.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, or relative or employee of such attorney or counsel, or financially interested in the action.

DATED THIS 7th day of June, 2005.

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