

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:

FSC - OFFICE OF INSURANCE REGULATION
DEPARTMENT OF LAW ENFORCEMENT
FLORIDA LAND AND WATER ADJUDICATORY COMMISSION
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Bush presiding, in the
Cabinet Meeting Room, LL-03, The Capitol, Tallahassee, Florida,
on the 22nd day of November, 2005, commencing at approximately
9:30 a.m.

Reported by:

KRISTEN L. BENTLEY, RPR
Certified Court Reporter

ACCURATE STENOGRAPHY REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FL 32308 (850)878-2221

APPEARANCES:

Representing the Florida Cabinet:

JEB BUSH
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

CHARLIE CRIST
Attorney General

TOM GALLAGHER
Chief Financial Officer

* * *

I N D E X

FSC - OFFICE OF INSURANCE REGULATION
(Presented by KEVIN McCARTY)

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PROCEEDINGS

THE GOVERNOR: The next cabinet meet meeting will be Tuesday, December 13th here in Tallahassee.

Financial Services Commission. Office of Insurance Regulation. Where is Butterbean? There he is. How was the trip to San Francisco?

MR. McCARTY: It was very productive, Governor. Thank you.

THE GOVERNOR: Made a lot of news. The key to your travels when you go to a convention like that is to bring a reporter.

MR. McCARTY: Well, then we'll do that, sir.

THE GOVERNOR: You did, I thought.

MR. McCARTY: Yes.

THE GOVERNOR: I thought one of the reporters looked like they were covering it live.

MR. McCARTY: Yes, it was a great opportunity, I think, to bring together national leaders and use that forum to really focus on the importance of a national solution to a national problem. The reality is is that every state in the country is faced with a catastrophic event that would subsume the insurance industry and I think the rational thing is to have a comprehensive national policy that deals with that in advance as opposed to after the fact.

1 THE GOVERNOR: Exactly. Appreciate your leadership
2 on that.

3 MR. McCARTY: The first agenda item --

4 CFO GALLAGHER: Motion on the minutes.

5 MR. McCARTY: Thank you, Governor.

6 GENERAL CRIST: Second.

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

8 Without objection, Item 1 passes.

9 MR. McCARTY: Item 2 is adoption of amendments to
10 Rule 690-149.002. Proposed rule updates existing forms
11 and adopts new checklist to be used in review of life and
12 health form filings. The checklists are used by both the
13 industry as well as the office to ensure compliance with
14 Florida statutes.

15 CFO GALLAGHER: Motion on 2.

16 THE GOVERNOR: There's a motion.

17 COMMISSIONER BRONSON: Second.

18 THE GOVERNOR: And a second. Without objection, the
19 motion passes.

20 What a shame that the Gulf Breeze Elementary School
21 students weren't here for that item.

22 (Laughter.)

23 MR. McCARTY: Absolutely riveting, I know. Items 3
24 and 4 are adoption of amendments to Rule 690-149.0055
25 and --

1 CFO GALLAGHER: Motion on 3.

2 COMMISSIONER BRONSON: Second.

3 THE GOVERNOR: There is a motion and a second.

4 Without objection, the item passes.

5 MR. McCARTY: Okay. Item 4 is adoption of amendments
6 to Rule 690-191.0545 on Healthy Lifestyles Rebate.

7 CFO GALLAGHER: Motion on 4.

8 COMMISSIONER BRONSON: Second.

9 THE GOVERNOR: There's a motion and a second.

10 Without objection, the item passes.

11 MR. McCARTY: Governor and members, I have two
12 informational items today. The first item, I'd like to
13 ask Nancy Stuart, she was here representing the Federation
14 of Manufactured Home Owners who recently presented me with
15 a petition signed by more than 35,000 mobile home --
16 manufactured home owners who are concerned about the
17 availability and affordability of homeowners' insurance
18 for their manufactured housing. I recently received a
19 cover letter with those 35,000 petitions from the
20 president of the Federation of Manufactured Home Owners of
21 Florida which provided in relevant part on behalf of the
22 FMO I respectfully submit to you signatures of more than
23 35,000 manufactured home owners living in parks and
24 residential communities who are concerned about their
25 homeowners' insurance.

1 A recent pole of our members indicate that affordable
2 homeowners' insurance has become the single most
3 compelling problem we face. We are experiencing an
4 unprecedented problem with insurance coverage for our
5 homes. As our petition states, carriers have stopped
6 writing new policies, have terminated existing coverage,
7 and have increased premiums beyond our ability to pay. We
8 appreciate the lifestyle we have and would like to remain
9 in it. As Commissioner of the Office of Insurance
10 Regulation, you have a unique role to play in this area.
11 We appreciate the need to maintain a healthy, appropriate,
12 regulatory scheme in Florida for the insurance industry
13 and we are hopeful that your experience and expertise for
14 the industry can be used to create some relief for our
15 oppressive situation. Please contact me if we can be of
16 any assistance with this awful problem that is affecting
17 so many of Florida's most vulnerable citizens.

18 So we have -- this is a very complicated problem.
19 It's much worse than a homeowner's problem. We've had
20 five mobile home manufacturer representatives of insurance
21 companies that have left the market in 2004. Our office,
22 through our business development unit, is working very
23 hard to bring new investment capital to Florida. But as I
24 said before, a comprehensive solution is going to require
25 the State of Florida along with the federal government

1 hopefully to work to bring better marketplace to Florida.

2 Do you have anything you want to say, Nancy?

3 THE GOVERNOR: Got any ideas?

4 MR. McCARTY: Well, I think part of it is going to
5 require greater investment return for investors. I think
6 the risk of loss with manufactured housing is greater than
7 it is for site-built homes. That's not to say that new
8 manufactured housings are not as good as site-built homes.
9 But 80 percent of our manufactured homes in south Florida
10 were built before federal or state building requirements
11 that had any kind of wind load resistance at all.

12 THE GOVERNOR: And there is very little we can do to
13 strengthen them.

14 MR. McCARTY: Governor, we do have an experimental
15 program we're working on that is trying to harden those,
16 what's called hardening those homes.

17 THE GOVERNOR: Right.

18 MR. McCARTY: It's much more challenging with
19 manufactured housing than it is with site-built homes.
20 And we're really not sure that the investment with regard
21 to that is really going to pay off in the long run. So,
22 again, we're continuing to work with the Manufactured Home
23 Owners' Association as well as the trade association in
24 trying to come up with solutions. But part of the problem
25 is some of those older homes just cannot resist the wind

1 loads of Florida hurricane season.

2 THE GOVERNOR: Well, if there's any suggestions they
3 have as it relates to retrofitting to harden them, we'd
4 love to hear it. There's not a lot of options for people
5 that are on fixed income that are in these housing units.
6 It's their home, they don't want to leave, but we've got a
7 pretty proven record after eight storms in two years of
8 what happens when a storm blows through there. I see
9 Representative Needleman who I think represents Barefoot
10 Bay. And all you got to do is go to one of these
11 communities after a storm and you see that people are in
12 harm's way.

13 MR. McCARTY: Unfortunately, many of these people
14 moved to Florida during a period of time when there was
15 relatively few hurricanes in Florida, at the time when the
16 cost of land and manufactured housing was relatively
17 inexpensive. And now we're in a period of greater
18 frequency and severity of storms which is really causing
19 problems since there is not anticipated -- so many of them
20 are on fixed incomes as you already pointed out.

21 THE GOVERNOR: Treasurer?

22 CFO GALLAGHER: One of the things that we have done
23 since we started the Cat Fund is we have about \$10 million
24 annually available for mitigation and a portion of that
25 has always been over for manufactured home owners to get
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1 tie downs on their homes and it probably should be for
2 other hardening processes also. We might want to increase
3 the amount that goes to that out of that 10 million, would
4 certainly help some. But the actual cost of the insurance
5 is really what's bothering people as much as it is getting
6 the homes backed up and --

7 THE GOVERNOR: Well, I'm thinking if you could harden
8 the homes, you could create more insurance.

9 CFO GALLAGHER: Well --

10 MR. McCARTY: A critical part of all of this, we
11 can't continue to build buildings that blow away in
12 storms. We have to have a loss mitigation process the way
13 we did with fire problems 30, 40 years ago and we have to
14 work with the industry, building, trades, the mortgage
15 companies. We're all in this together. It's not just an
16 insurance problem. It's an economic problem. And we need
17 to make sure that the building structures in the future
18 make it safe for Floridians as well as to resist these
19 horrible storms.

20 THE GOVERNOR: Kevin, are you doing an analysis of
21 Wilma and how the building code, just the damage done?

22 MR. McCARTY: Yes, sir, we are. We're just in the
23 early stages of that. But using information we received
24 last year particularly from Hurricane Charley and the
25 structures that were built in Punta Gorda, I know that you
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1 had firsthand knowledge of that visiting there, the
2 striking difference between those that are built to the
3 code and those that are not. And you can see ample
4 evidence in that in south Florida now just by going and
5 visiting those structures, particularly even some of the
6 retrofitted roofs and older structures that have been
7 built to the new code standards right next to homes that
8 have not been built to those standards and you see a
9 dramatic difference in the integrity of the -- the
10 structural integrity of the home that is preserved by
11 building to the new codes.

12 THE GOVERNOR: I'd love to see the report when it's
13 finished. And also, just out of curiosity, I'd love to
14 see how it was, downtown Fort Lauderdale in the Brickell
15 area there were just pockets where there was massive
16 damage and it's hard to explain it. Most of them are
17 older buildings although there were a couple of the newer
18 buildings that also had --

19 CFO GALLAGHER: Windows.

20 THE GOVERNOR: -- windows damage although they're
21 double pane glass it turns out.

22 CFO GALLAGHER: It was just the outside windows. And
23 I think a lot of that was caused by the gravel roofs that
24 were on the lower buildings and the gravel picked up and
25 basically was like a shotgun against the windows.

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1 THE GOVERNOR: Well, if there are things to be
2 learned and things to apply, we need to have them ready
3 for next legislative session which is -- you'll have it
4 done before then?

5 MR. McCARTY: Yes, sir. And we're also doing that as
6 part of the long-term task force that has been authorized
7 by the Legislature that has appointments from the House,
8 Senate as well as yourself looking at this. And I think
9 one of the focuses of that is mitigation, loss mitigation
10 and what can be done to improve the quality of the housing
11 stock that we have and prevent this in the future with
12 future buildings.

13 CFO GALLAGHER: Just as an aside. Show you how
14 ongoing these kind of problems are. Country Walk, which I
15 know you know where that is, the lawsuit on Country Walk
16 on construction, which did not meet the code back then, is
17 still unresolved.

18 THE GOVERNOR: Oh, Lord.

19 CFO GALLAGHER: A court that's 14 years later, a
20 trial was set and had to be cancelled because of Hurricane
21 Wilma and now it's held off. I guess it's still going to
22 be in Dade County. And it's one of those things that is,
23 you know, hard to believe that it would take that long.
24 Hopefully that's the final thing that will put away
25 Hurricane Andrew. But some of that had to do with the
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1 inspections. And I understand in the depositions that the
2 inspectors, they asked them about things that were in the
3 code that should have been done that weren't on those
4 units and they said they were on there when they inspected
5 it. I guess they took the tie downs off this house and
6 put on the next one and put on the next. Anyway, that's
7 in jest --

8 THE GOVERNOR: Allegedly.

9 CFO GALLAGHER: Yeah, sure.

10 MR. McCARTY: We use the hurricane seasons to better
11 improve our existence here in Florida. I think it needs
12 to be pointed out that in many ways we're leaders around
13 the country. I mean, my most recent visit in San
14 Francisco, they look to Florida. I mean, we're a leader
15 in building code. We're a leader in building code
16 enforcement, in loss mitigation, in the creation of new
17 markets as well as the Cat Fund which is highly regarded
18 around the country as a model for the nation and may very
19 well be the model of the nation if we have a federal
20 catastrophe fund.

21 So, you know, as we're really critical, as we should
22 be, to improve the processes in Florida, we really should
23 be very proud of what we have done in the Legislature over
24 the last ten years to improve our markets. It's really a
25 model in many ways.

1 CFO GALLAGHER: You know, I might say the same thing
2 for Citizens Property Insurance. We're very critical of
3 it here and we want it to be better and obviously it's on
4 a continual get-better basis. But it still provides
5 800,000 people and growing between 20 and 30,000 every
6 month because there is no private market out there right
7 now.

8 MR. McCARTY: On a brighter note.

9 THE GOVERNOR: Moving right along.

10 MR. McCARTY: I was talking about the challenges we
11 have in the property market. I'm pleased to announce in
12 the health market we have some very good news. Aetna has
13 recently announced that -- the office is pleased to
14 announce that Aetna Life Insurance Company and Aetna
15 Health Care is offering a product for the individual
16 marketplace in Florida. This is the first major entrance
17 in the marketplace. And Aetna will begin selling this
18 product in December. Although utilizing an out-of-state
19 group in other states, they are coming in as an in-state
20 carrier in Florida. This decision ensures that all the
21 Floridians that purchased this product will have the full
22 consumer protections afforded under Florida law.
23 Furthermore, we have representatives here today from Aetna
24 that would like to discuss with you their product.
25 Ms. Brubaker.

1 THE GOVERNOR: Good morning.

2 MS. BRUBAKER: Good morning. Thank you, Governor,
3 and members of the cabinet. Aetna is thrilled to be here
4 today to announce the launch of our individual product.
5 And thank you, Commissioner, for your team and their
6 support as we worked through the filing and approval
7 process the past few months. Aetna is very excited to be
8 able to offer individual products to individual purchasers
9 and their families. I think we would all recognize a
10 significant need of the uninsured and the underinsured
11 individuals. Just in Florida alone, there is 3.2 million
12 members or individuals who do not have insurance. Our
13 products offer a wide spectrum. We have HMO products, PPO
14 products, we have HSA compatible products. We believe
15 these products offer very competitive price points with
16 very comprehensive coverage.

17 One of the things we have found in the other states
18 where we've launched -- which this will bring us to 13
19 markets in the past two years -- is that 26 percent of the
20 individuals who purchase these products previously did not
21 have any insurance. So clearly this is hitting the mark
22 for those individuals who did not have insurance in the
23 past. I think it's important to note that we are
24 launching this product very shortly. Actually,
25 December 15th will be our first effective dates. We're

1 actually selling in the market by December 9th. We will
2 sell this product through a traditional channel of brokers
3 but we will also sell it through online vehicles.
4 Consumers can go online through our web site and be able
5 to pick their products and their pricing points. We also
6 have the ability for them to call a 1-800 number where
7 they can get this information as well.

8 We see this as just a continuation of our support and
9 partnership with Florida. We already, through our other
10 products, have a million members who are supported through
11 our Florida products. We also see the partnership in
12 Florida as a key employer as we employ 2600 individuals
13 here in the state. So once again, we're thrilled to be
14 here. It's the 13th market for us. We see it as a huge
15 opportunity to extend benefits to a very underserved
16 population.

17 THE GOVERNOR: General.

18 GENERAL CRIST: Thank you, Governor. And thank you
19 for being here today. I was just curious, the product
20 you're going to sell, what will it cost and what will it
21 cover?

22 MS. BRUBAKER: The products, we have several
23 variations of products. We have HSA compatible products.

24 GENERAL CRIST: What?

25 MS. BRUBAKER: HSA, Health Saving Account, which are
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1 consumer directed products which are a range of high
2 deductible products for individuals, 2700 up to 5000 for
3 individuals. We also have products that are more in the
4 managed care line of managed choice and HMO. Our current
5 populace in this state, about two-thirds of the population
6 have HMO so we do find the state to be very friendly to
7 that type of product. The pricing points vary. They're
8 age and gender based. To give you an example, if you look
9 at a male, a single male in the 20 to 30 population, he
10 could pick a product that could be as low priced as \$50 up
11 to maybe \$125 a month. Our average monthly premium across
12 all of our products is about \$167.

13 In terms of what it covers, it's a very comprehensive
14 set of coverings. It's not limited benefits. We cover
15 preventative care, physician care, hospital care, some of
16 our programs have pharmacy, there's a dental option for
17 individuals.

18 GENERAL CRIST: You may have already provided that to
19 our staff but if not, I'd love to have the chance to see
20 that.

21 MS. BRUBAKER: We have all of the plans on file.
22 And, actually, as we launch, all of that will be available
23 on the web site as well. Actually, directly for the
24 consumer to do price modeling for themselves.

25 GENERAL CRIST: What is the web site?
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1 MS. BRUBAKER: What is the link to the web site, is
2 that what you're looking for?

3 GENERAL CRIST: What is it? Yeah.

4 MS. BRUBAKER: Do we have it handy? I don't have it
5 right --

6 GENERAL CRIST: I can get it later. No big deal.

7 THE GOVERNOR: www.dot.aetna.

8 MS. BRUBAKER: It's www.aetna.com and then underneath
9 that, there's an individual products and families and you
10 can go right to there. And there's a 1-800myhealth
11 number.

12 THE GOVERNOR: Thank you. Anything else, Kevin?

13 MR. McCARTY: Can we get a quick picture? Is that
14 all right? With the Aetna folks.

15 THE GOVERNOR: We do this for all the insurance
16 companies that come into our state.

17 (Laughter.)

18 (Pause.)

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1 THE GOVERNOR: Department of Law Enforcement.

2 CFO GALLAGHER: Motion.

3 GENERAL CRIST: Second.

4 THE GOVERNOR: There is a motion and a second.

5 Without objection, Item 1 passes.

6 Hop-Along Tunnell.

7 MR. TUNNELL: I was hoping you'd just tell me I could
8 sit right back down again. Good morning, Governor,
9 members of the cabinet. Certainly appreciate the
10 opportunity to be here and I want to express my
11 appreciation on behalf of some 1900 members of FDLE for
12 your recognition, both David and Chris this morning,
13 earlier in the program. We're proud to have them as
14 members of FDLE and certainly they represent the best of
15 the best. I'm trying to think where we are now. We've
16 already done the minutes.

17 THE GOVERNOR: Yes, sir.

18 MR. TUNNELL: Our second item is our first quarter
19 performance report for the period of July 1 through
20 September 30th. Our contracts, agreements and purchases
21 over \$100,000 for the same period. Overall, I'd like to
22 report that we're on track with our performance report.
23 In our crime lab we're working very hard to get the
24 turnaround time back up to what we're used to and what our
25 partners out in the law enforcement profession expect.

1 I should note that while we have some areas of
2 concern, that's a little strong, some areas we're looking
3 at with regard to our performance in the laboratory
4 services. Important note is to mention the fact that
5 during this same timeframe, we were transitioning into our
6 new modular lab facilities in Pensacola. As you know, as
7 compliments of the hurricanes last year, we lost our
8 entire operations building. I'm glad to report today that
9 the lab is now running at 100 percent capacity. As a
10 footnote, in Pensacola they do serology, DNA examinations,
11 chemistry, firearms, latents and crime scene which is the
12 bulk of the areas that we've fallen a little bit behind
13 in.

14 During the move, it's not simply a matter of a
15 turnkey operation. Once we get into the buildings, we've
16 got to move the equipment from the old facilities where
17 they're in storage to the new facilities, set the
18 equipment up. It's very delicate instrumentation. It has
19 to be recalibrated and tested before we can actually start
20 operating the equipment to do the test. We've also had
21 some turnover as we've seen in times past within
22 laboratory services.

23 On the positive note, while we're filling some
24 approximately 20 positions, scientists we lost last year,
25 you recall this last year in our budget request we were
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1 approved for another 20 positions. Those new scientists,
2 in addition to filling the vacancies from turnover as is
3 typical, the new positions are now in the background stage
4 so we expect to have them on the ground running very soon
5 in their training mode. The 20 positions, three are
6 assigned to chemistry, two to firearms, five to latents,
7 and ten to serology and DNA. So we expect to have up to
8 full speed again with our staffing.

9 Additionally, I think at the last, the October
10 cabinet meeting, I mentioned we were the recipients of a
11 new \$3 million federal grant that we intend to use for
12 outsourcing. Some 1300 cases beginning in January using
13 these grant funds. So we're excited about that. I think
14 overall we're moving in the right direction. What we
15 expect additionally to help us in not only recruiting but
16 in retaining our veteran scientists, we were also
17 authorized -- they were given the benefit of special risk
18 retirement benefits. So that certainly will help in
19 retention we feel certainly.

20 Our demand, while we were understaffed during this
21 quarter, our demand is up some 13 percent over the same
22 time frame last year. And even with the Pensacola lab
23 down and in transition, we completed almost 20,000 service
24 requests during that first quarter. Any questions about
25 that information?

1 CFO GALLAGHER: I'll move Item 2.

2 COMMISSIONER BRONSON: Second.

3 THE GOVERNOR: There's a motion and a second.

4 Without objection, Item 2 passes.

5 Item 3.

6 MR. TUNNELL: Item 3 has to do with our proposed
7 legislative initiative for the 2006 session. There are
8 two bills which should look somewhat familiar to you
9 because they are essentially the same bills we filed last
10 year that did not pass. The first is the FDLE general
11 bill. The second is our sex offender glitch bill.

12 The general bill is our kitchen sink bill if you'll
13 pardon the terminology. It covers a variety of issues
14 mainly dealing with housekeeping and technical provisions.
15 There are a couple of points that I'd like to mention. On
16 Page 1, the seventh bullet down, there is a seal/expunge
17 provision. This provision adds the crime of voyeurism and
18 other sexual predator and sexual offender predicate
19 offenses to the list of crimes that may not be expunged or
20 sealed. Obviously this is very important when we provide
21 rap sheets for the purposes of employment and licensing
22 that those offenses continue to be included.

23 Second item, a provision I wanted to note is on the
24 top of Page 2. Deals with the federal law that prohibits
25 the transfer of firearms to any person who has been
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1 adjudicated mentally defective or who has been committed
2 to a mental institution. We currently don't have this
3 important information available to us. This language
4 would allow us to create a database wherein clerks of the
5 court would submit these orders to us regarding
6 adjudications of mental deficiency. This would put us in
7 compliance with federal law. We've worked very closely
8 with NRA on this and I'm assured that they're on board.
9 So we're steam rolling ahead on that issue.

10 The second bill is the sexual offender predator
11 glitch bill. And, again, these changes are really
12 technical in scope. The bill adjusts the definition of
13 educational institution to, again, assure our compliance
14 with federal law. It cleans up some glitches in the
15 current law and it corrects a minor bill drafting error
16 from the past.

17 CFO GALLAGHER: Now, does this take care of an issue
18 where an individual gets their fingerprints done in one
19 school district and that can work in another school
20 district instead of having to do it every ten school
21 districts?

22 MR. TUNNELL: We're working very closely with that,
23 Commissioner -- Treasurer, I'm sorry. Working very
24 closely with the school board. As you know, that's been
25 an issue. I can't find my notes on that right now.

1 THE GOVERNOR: I don't think it does.

2 MR. TUNNELL: But it does help expedite that process.
3 This is still a work in progress, working with the school
4 boards. We put a lot of time and effort into this and
5 it's starting to coming around.

6 THE GOVERNOR: This bill that you're talking about
7 doesn't deal with the Lunsford glitch.

8 MR. TUNNELL: No, sir, it does not. The Lunsford --

9 THE GOVERNOR: Is being dealt with separately. I
10 think there is --

11 (Off-the-record discussion.)

12 THE GOVERNOR: Yeah, I think there is -- I know
13 there's an interest in --

14 MR. TUNNELL: I'm having difficulty getting organized
15 here. This is not related to that, no, it's not.

16 THE GOVERNOR: All right.

17 CFO GALLAGHER: Motion.

18 GENERAL CRIST: Second.

19 THE GOVERNOR: There's a motion and a second.
20 Without objection, the item passes.

21 MR. TUNNELL: Thank you very much.

22 THE GOVERNOR: Thank you, Guy. Happy Thanksgiving to
23 your family, to you. Get well.

24 MR. TUNNELL: Well, this -- despite rumors to the
25 contrary, I'm not a victim of spousal abuse. I want to
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1 make that very clear for the record.

2 THE GOVERNOR: You should be though. (Laughter.)

3 Given how lovely your wife is, if there was ever a doubt,

4 you would lose. So be thankful. Count your blessings.

5 (Laughter.)

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1 THE GOVERNOR: Florida Land and Water Adjudicatory
2 Commission.

3 CFO GALLAGHER: Motion on the minutes.

4 GENERAL CRIST: Second.

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

7 MS. TINKER: Item 2, recommend approval of the
8 dissolution of the Cocohatchee Community Development
9 District in Lee County and repeal Rule Chapter 42KK-1.

10 CFO GALLAGHER: Motion on 1.

11 COMMISSIONER BRONSON: Second.

12 THE GOVERNOR: There's a motion and a second.
13 Without objection the item passes.

14 MS. TINKER: Thank you.

15 THE GOVERNOR: Thank you.

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1 THE GOVERNOR: Board of Trustees.

2 CFO GALLAGHER: Motion on the minutes.

3 GENERAL CRIST: Second.

4 MS. CASTILLE: Good morning, Governor and members of
5 the cabinet.

6 THE GOVERNOR: There is a motion.

7 COMMISSIONER BRONSON: Second.

8 THE GOVERNOR: And a second. Without objection, Item
9 1 passes.

10 Item 2.

11 MS. CASTILLE: Item 2 is the Board of Trustees'
12 Whitley Bay Marina settlement agreement. This is
13 consideration of a proposed settlement agreement in the
14 case of Whitley Bay versus the Department of Environmental
15 Protection and the City of Cocoa. As you recall, on
16 March 17th, 2005, you considered a request for a
17 conversion for an open-to-the-public marina to a private
18 marina by removing a special lease condition from the
19 lease being transferred to -- from the Whitley Bay Marina,
20 from the Whitleys to a new entity. The Board only
21 approved the assignment of the existing leases to the new
22 upland owner leaving in the condition that would allow the
23 marina to remain open to the public.

24 THE GOVERNOR: Excellent.

25 CFO GALLAGHER: Motion.

1 COMMISSIONER BRONSON: Second.

2 THE GOVERNOR: There is a motion and a second. Any
3 other discussion? (No response.) Without objection, the
4 motion passes.

5 Okay. With that, Colleen?

6 MS. CASTILLE: Pardon me, sir?

7 THE GOVERNOR: You didn't have anything else to add?

8 MS. CASTILLE: No, if you're fine with it, I'm fine.

9 THE GOVERNOR: We're fine.

10 MS. CASTILLE: Item 3 is the Sailfish Capital Center
11 Marina recommended consolidated of intent. This is a
12 consideration of an application in Martin County for a new
13 marina. It's a ten-year sovereignty submerged land lease
14 for 192,000 square feet for a commercial marina that would
15 moor up to 100-foot yachts.

16 GENERAL CRIST: Motion.

17 THE GOVERNOR: And it's public.

18 MS. CASTILLE: And 90 percent of the slips will be
19 open to the public.

20 COMMISSIONER BRONSON: Second.

21 THE GOVERNOR: There's a motion and a second.
22 Without objection, the item passes. That's a slight
23 aberration, isn't it, for what we normally see?

24 MS. CASTILLE: You-all generally don't see the
25 smaller ones. We do smaller ones. This is a large one
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1 and we do not normally get new large leases.

2 THE GOVERNOR: With that much public access.

3 MS. CASTILLE: With that much public access, that's
4 absolutely correct.

5 THE GOVERNOR: That's my point. That's great.

6 MS. CASTILLE: It is wonderful.

7 THE GOVERNOR: Keep them coming.

8 MS. CASTILLE: We will be reporting to you beginning
9 the first of the year. Each of the new marina slips that
10 we approve on a delegated basis and are reporting to you
11 so that you'll know how many new slips we approve under
12 the delegated authority.

13 THE GOVERNOR: Okay. Item 4.

14 MS. CASTILLE: Item 4. Palm Beach Marina recommended
15 consolidated intent. Is a consideration of an application
16 for modification of the 5-year sovereignty submerged land
17 lease to change the term to ten years and to increase
18 preempted area from 25,000 square feet to 58,000 square
19 feet to expand temporary mooring slips. It is a dry stack
20 facility.

21 CFO GALLAGHER: Motion on 4.

22 GENERAL CRIST: Second.

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

24 Without objection, the item passes.

25 MS. CASTILLE: Item 5 is Palm Beach Yacht Club
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1 Associates lease renewal and expansion of a ten-year
2 sovereignty submerged land lease to increase the preempted
3 area from 68,000 to 113,000 square feet.

4 CFO GALLAGHER: Motion on 5.

5 GENERAL CRIST: Second.

6 THE GOVERNOR: There's a motion and a second. Any
7 discussion? Without objection, the item passes.

8 CFO GALLAGHER: Motion to withdraw 6.

9 GENERAL CRIST: Second.

10 THE GOVERNOR: There's a motion to withdraw Item 6
11 and a second. Without objection, the item is withdrawn.

12 Item 7.

13 MS. CASTILLE: Item 7. This is the consideration of
14 a request to sell approximately 5.14 acres of state-owned
15 nonconservation land in Leon County to the City of
16 Tallahassee for \$5.85 million and the Johns/Clemons
17 Building is 2.65 acres for \$2.95 million. And the
18 Chevron/319 block is 2.49 acres for 2.9 million.

19 COMMISSIONER BRONSON: Motion on 7.

20 CFO GALLAGHER: Second.

21 THE GOVERNOR: There's a motion and a second and a
22 third. Without objection. Any discussion? Anybody here
23 want to speak?

24 MS. CASTILLE: No, sir.

25 CFO GALLAGHER: While we're here --
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1 THE GOVERNOR: Let me finish this unless you want
2 to --

3 CFO GALLAGHER: This has to do with this area, but
4 not this motion.

5 THE GOVERNOR: There's a motion and a second.
6 Without objection, the item passes. Woo-hoo. We just
7 sold surplus property. It took awhile, but we did it.

8 Yes, Treasurer.

9 CFO GALLAGHER: The Bloxham Building.

10 MS. CASTILLE: Yes, sir.

11 CFO GALLAGHER: The Leon County School Board gave it
12 to the State. The Leon County School Board, if it's not
13 going to be used anymore and it's one of those surplus
14 properties that we have on our list, would like it back.
15 Can you get working on that and see what kind of deal we
16 can make with them?

17 MS. CASTILLE: We are working on that. As you know,
18 Treasurer, it has a lease with employees in it and we're
19 currently in the process -- DMS is in the process of doing
20 the employee movement strategy along with your department
21 and with the Department of Revenue.

22 THE GOVERNOR: It's also -- in its backyard is the
23 beautiful Cascades Park that is being cleaned up. So it's
24 good.

25 MS. CASTILLE: Yes, sir.

1 CFO GALLAGHER: So would you make sure DMS does call
2 Revenue and works it out because they've got 59 employees
3 over there. They can go somewhere else but nobody is
4 talking about it.

5 MS. CASTILLE: I will.

6 CFO GALLAGHER: Thank you.

7 MS. CASTILLE: Item 8?

8 THE GOVERNOR: Item 8.

9 MS. CASTILLE: Item 8 is an acquisition. This is a
10 consideration of three option agreements to acquire
11 .90 acres for a total of \$607,000 on Cayo Costa Island.

12 CFO GALLAGHER: Motion on 8.

13 GENERAL CRIST: Second.

14 THE GOVERNOR: Wow. Tad expensive, isn't it there,
15 Colleen?

16 MS. CASTILLE: It is expensive property, sir, but it
17 is less than the appraised value and it is consistent with
18 the appraisals in the area and for what land is going for.
19 It is -- can we -- I need my picture.

20 THE GOVERNOR: Kudos to the guy that just made a
21 gigantic sum of money for speculating.

22 There is a motion and a second. Oh, you want to --
23 any discussion? I'm fine with it.

24 MS. CASTILLE: No. Okay.

25 THE GOVERNOR: Real estate prices. There's a motion
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1 and a second. Without objection, the item passes.

2 (Off-the-record discussion.)

3 MS. CASTILLE: Thank you. Appreciate it.

4 THE GOVERNOR: You're welcome.

5 MS. CASTILLE: Item 9. This is a consideration of a
6 purchase agreement to acquire approximately 73,476 acres
7 within the Bab -- did I say thousand? Thousand acres
8 within the Babcock Ranch, Florida. There has been several
9 negotiations going on over the past two weeks and we have
10 some changes that I'd like to talk to you about. The
11 changes to the purchase and sale agreement and the
12 management agreement since the last cabinet meeting
13 include the following.

14 Language was added to clarify that if funding is
15 provided above the 100 million in general revenue that we
16 can adjust the number of take downs in the acreage
17 included so that we can -- so that we can make that
18 acquisition and funds are provided. No. 2, Division of
19 Forestry is being added as a managing agency and is
20 contributing \$5 million of the \$10 million that Fish and
21 Wildlife Conservation have agreed to contribute toward the
22 purchase of the property as well as getting 50 percent of
23 the management fees that are included in the managing
24 agreement.

25 Item -- and the third item is dealing with the water.
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1 Paragraph No. 33 has been rewritten. Mr. Kitson takes the
2 water he needs for his development off of the 17,000 acres
3 he retains and Charlotte County is given the ability to
4 apply for an easement from the Board of Trustees for up to
5 10 million gallons a day from the Floridian Aquifer if the
6 County receives a consumptive use permit from the South
7 Florida Water Management District.

8 Lee County has voted unanimously to approve the
9 contract that is before you with the exception of the
10 management changes that were not worked out by the
11 commission time last Tuesday morning. However, we don't
12 anticipate that that would be a problem. And there is --
13 and Charlotte County voted yesterday on the interlocal
14 agreement to approve that with a four to one vote and we
15 have a number of speakers. Charlotte County has also
16 proposed a change in language and I also have a proposed
17 change in language.

18 THE GOVERNOR: You want to do yours first?

19 MS. CASTILLE: Yes, sir.

20 CFO GALLAGHER: Put the motion on the table to
21 approve.

22 THE GOVERNOR: There is a motion.

23 GENERAL CRIST: Second.

24 THE GOVERNOR: And a second. Further discussion?

25 What is your -- what are you proposing, Colleen?

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1 MS. CASTILLE: I'm proposing that as a proprietary
2 use which is granted by the trustees to Charlotte County,
3 provided in paragraph 33D or otherwise for the placement
4 of water wells on the property and the transport of water
5 from such wells across the property shall require
6 consideration to be paid by Charlotte County to the
7 trustees. There is a section in there that you may have
8 something written and we are agreeing to take out the
9 following language, "in the amount commensurate with the
10 benefit to be enjoyed by Charlotte County." We're willing
11 to have that decision made on what the price would be when
12 Charlotte County comes forward to seek --

13 THE GOVERNOR: Now this is separate and apart from
14 what Charlotte County is going to propose?

15 MS. CASTILLE: Yes, sir.

16 THE GOVERNOR: I mean, if we approve the Charlotte
17 County wording, this is not in lieu of that?

18 MS. CASTILLE: That's correct.

19 CFO GALLAGHER: Well --

20 MS. CASTILLE: Charlotte County still wants to
21 propose their language, I believe.

22 THE GOVERNOR: Right. But if we approve this, is it
23 in lieu -- I mean, is it --

24 CFO GALLAGHER: Well, Charlotte County wanted it free
25 and this is just saying --

1 MS. CASTILLE: Charlotte County wants no restrictions
2 to the Floridian Aquifer and they want no restrictions on
3 the amount of water. But they're okay with paying for the
4 language.

5 COMMISSIONER BRONSON: Governor, I've got a question.

6 THE GOVERNOR: This is separate. Just so you guys
7 know, this is not related to their -- okay.

8 MS. CASTILLE: That's correct.

9 THE GOVERNOR: That was the answer that I was
10 seeking. Yes, Commissioner.

11 COMMISSIONER BRONSON: But they are requesting, and
12 I -- we don't -- there has been no provision before to
13 anyone with unlimited amount, especially with the water
14 management districts that are doing permits to virtually
15 everybody whether you're private or state on the removal
16 of water from the aquifer system. I mean, there is no
17 grant of a free unlimited water supply to anybody that I
18 know of right now; is that correct?

19 MS. CASTILLE: That is correct. It is limited by the
20 environment and the characteristics of the aquifer from
21 which the water is being taken.

22 COMMISSIONER BRONSON: So really and truly, we should
23 be sitting here talking about a fair but equitable system
24 where, based on the science of the water available and how
25 it's going to affect the wetlands and other aspects of the
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1 topography, that we need to be using the same science that
2 everybody else has to use before we issue water permits,
3 right? Or before the water management district issues
4 water permits.

5 MS. CASTILLE: And they do.

6 THE GOVERNOR: Nothing in this clause -- let me make
7 sure -- confirm what I'm saying is true. Nothing in this
8 clause or what would be proposed by Charlotte County
9 coming up changes the process that we go through and what
10 the water management district goes through as it relates
11 to --

12 MS. CASTILLE: It does not change the process. It
13 does put a cap on how much water.

14 THE GOVERNOR: We're not circumventing any of the
15 processes that are in place.

16 COMMISSIONER BRONSON: Because I thought I heard
17 unlimited water supply.

18 MS. CASTILLE: That's what Charlotte County is
19 seeking.

20 THE GOVERNOR: But that's what they wanted but let's
21 don't confuse --

22 MS. CASTILLE: Let me be more clear. They're seeking
23 to have no limitation in the contract. They are willing
24 to be limited by the consumptive use permitting process.

25 COMMISSIONER BRONSON: Okay. That's what I was
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1 trying to get out.

2 THE GOVERNOR: We've got to be very careful that we
3 tie one thing with this purchase as well. Just want to
4 be -- that's why this has been crafted with hopefully
5 elegance to avoid that issue because -- and allow it to go
6 forward.

7 Okay. We have some speakers.

8 MS. CASTILLE: Okay.

9 THE GOVERNOR: Now, you also, are we -- do you
10 want -- we'll just say that this was as amended when we
11 get to the point if we're going to vote for this as you
12 propose with this.

13 CFO GALLAGHER: This was included in it.

14 THE GOVERNOR: No, it's not included in the contract
15 yet.

16 MS. CASTILLE: It is not. It is something that we
17 passed out today.

18 CFO GALLAGHER: Included in my motion.

19 THE GOVERNOR: Okay. And the other issue, as I
20 understand it, was the Department of Agriculture is not --
21 is that portion in the contract as well? Don't you want
22 to have that amended?

23 MS. CASTILLE: It is included in the management
24 agreement and the management agreement has to be as
25 amended included in this because we just got the language
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1 yesterday.

2 THE GOVERNOR: We're not approving that today?

3 MS. CASTILLE: This is part of --

4 CFO GALLAGHER: It's here. I've read it and it's --
5 I mean, they negotiated it and it looks fine to me.

6 GENERAL CRIST: Incorporated by reference.

7 MS. CASTILLE: It is incorporated in the contract by
8 reference.

9 THE GOVERNOR: Okay. Very good. Just wanted to make
10 sure we approve whatever we're going to approve so we
11 don't have to come back.

12 Speakers. I hope people are -- brevity would be a
13 good thing. But if you -- like the guy that won the award
14 today, if you were here earlier. The one that won the lab
15 technician of the year at FDLE. I thought his
16 presentation was right about the right amount of time. If
17 you're looking for guidance. Okay.

18 MS. CASTILLE: I would like to go ahead and ask
19 Commissioner Matt DeBoer and Cari Roth to come up first,
20 representing Charlotte County.

21 MS. ROTH: Governor, members of the cabinet --

22 THE GOVERNOR: You're Matt DeBoer? Oh, there he is.

23 (Laughter.)

24 MS. ROTH: I'm a little shorter. I could be real
25 brief. This is our language. We'd just like to see you
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1 approve it but let me explain to you why. We appreciate
2 everybody's hard work and I think a lot has transpired
3 since the last time this item was up before you and we've
4 worked very hard and think that you're on the brink of a
5 partnership that is really ground breaking. The Charlotte
6 County -- the original agreement that was brought to you a
7 couple of weeks ago granted the right for a private
8 developer to go on to public lands to pull water for a
9 public entity. What we're at now, and everyone is
10 agreeable to that, is that the entity that could come to
11 you is Charlotte County. It doesn't guarantee them a
12 right to water. It tells them that they may come and ask
13 for your permission to cross state lands to do that water
14 if they are successful through a very rigorous CUP
15 permitting process.

16 And then it comes back to the trustees and, frankly,
17 nothing in here limits your discretion. The issues that
18 we have with the language that's in the agreement right
19 now is that it limits Charlotte County ahead of time to
20 applying for only 10 mgd of water and to take it from one
21 particular aquifer. That may be the result of the CUP
22 permitting but what we're asking you is that you not
23 prejudge that process, that it comes back to you, sitting
24 as the Board of Trustees after the CUP permitting process
25 with all of the science before you and then you make the

1 judgment at that point. Governor? You-all have that
2 language?

3 THE GOVERNOR: Yes, we do. I think we do. I have
4 it. And I don't have any problems with it, to be honest
5 with you. I think it's, frankly, feel-good language for
6 the folks back home. It doesn't change the fact that
7 there is a process to go through. It gives you,
8 hopefully, some certainty that you had already. I mean.
9 Commissioner, are you good with it? General?

10 GENERAL CRIST: Yes, sir.

11 THE GOVERNOR: Treasurer?

12 CFO GALLAGHER: (Nods affirmatively.)

13 THE GOVERNOR: You don't have to speak now.

14 (Laughter.)

15 CFO GALLAGHER: He came all the way up here.

16 COMMISSIONER DeBOER: They won't let me back on the
17 plane unless I do. I know I'm not an attorney so there's
18 no billable hours or anything else. For the record,
19 Charlotte County Commissioner, Matt DeBoer. I thank you
20 for all the work that your staff has done on this. I've
21 had some great discussions with them. Some of those, I'd
22 like to have in a different arena. Some very great
23 philosophical discussions on the applicable policy of
24 government.

25 I think the proposed language that we're giving you
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1 is very sensitive too and embraces the fact that we have
2 policies and processes we have to go through. We are
3 aware that there is no absolute guarantee of any amount of
4 water. What we're really saying in that language is,
5 Understand, we are in a deficit mode already with our
6 supplying water for the citizens of Charlotte County and
7 we're going to come right out of the box and apply for 10
8 mgd but we know that there is no guarantee of that. So we
9 would appreciate your consideration of the language.
10 Thank you very much.

11 THE GOVERNOR: Thank you, Commissioner. Thanks for
12 your hard work on this.

13 MS. CASTILLE: And Commissioner Bob Janes from Lee
14 County and Jim Cawthard from the Babcock Preservation
15 Group.

16 THE GOVERNOR: Commissioner, welcome back.

17 COMMISSIONER JANES: Good morning. Nice to be here,
18 Governor. I just wanted to give you some notice today
19 that at our meeting on the 15th, we had agreed to
20 contribute \$40 million to the \$350 million purchase price.
21 And, further, that we have set November 29th for a public
22 hearing at 10:00 in our chambers to consider the
23 four-party interlocal agreement between Charlotte and Lee
24 Countie, Kitson and the State. And it's that interlocal
25 agreement is the one that is going to set out the terms

1 and conditions of the development approval process for the
2 remaining 18,000 acres on the ranch. Want to thank you
3 again for the opportunity to appear and to indicate to you
4 that we are making some progress in this area.

5 THE GOVERNOR: Thank you for your hard work on this,
6 Commissioner. Pass on our regards to the rest of the
7 commission.

8 MS. CASTILLE: I also want to introduce Fish and
9 Wildlife Conservation Commission chairman Herky Huffman.
10 I'm not sure if Herky wants to say anything. But I did
11 want to introduce you.

12 MR. HUFFMAN: Governor and cabinet --

13 THE GOVERNOR: Wait. If you're going to speak, you
14 got to get up to the podium or don't speak at all.

15 MR. HUFFMAN: I do not wish to speak unless you have
16 questions of me.

17 THE GOVERNOR: No, we appreciate the partnership
18 though, Mr. Chairman.

19 MR. HUFFMAN: We do too. Thank you.

20 THE GOVERNOR: Happy Thanksgiving.

21 MS. CASTILLE: And Dr. Robert Burns.

22 THE GOVERNOR: What about -- you already -- you're
23 next.

24 MS. CASTILLE: I'm next?

25 THE GOVERNOR: No, you're not next, Colleen.
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1 (Laughter.)

2 MR. CAWTHARD: I guess I'm too quiet. I'm Jim
3 Cawthard with the Babcock Preservation Partnership. And
4 we're pleased to inform you that our efforts to raise
5 funds towards the public acquisition of the Babcock Ranch
6 have been fruitful. As a matter of fact, this past week
7 we were informed that our request for \$3 million is funded
8 in the federal government's fiscal year 2006 budget. And
9 we'd like to thank our Southwest Florida Federal
10 Delegation for this success. Senators Nelson and Martinez
11 and Representatives Foley, Harris and Mack. And we will
12 continue to work with our federal legislators to identify
13 and hopefully capture more funds for this project.

14 THE GOVERNOR: Thank you very much. Does that nail
15 our price down?

16 DR. BURNS: Good morning, Governor and members of the
17 cabinet. I am Robert Burns, the executive director of
18 Florida Gulf Coast University in Charlotte County. I'm
19 here today to speak in favor of the historic proposal
20 before you regarding Babcock Ranch. Florida Gulf Coast
21 University looks forward to a strong role in working with
22 the important project and those involved in it and we are
23 pleased with the opportunity, especially, to work with
24 Kitson and partners on the placement of an environmental
25 education and research center within the plans for
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1 Babcock.

2 Our environmental mission and our numerous ecological
3 oriented programs, faculty, and staff position Florida
4 Gulf Coast in many ways to contribute to the planning and
5 implementation of partnerships, internships and supporting
6 pathways for the benefit of our students in our region.
7 As always, FGCU will cooperate with the State, our
8 counties and the business sectors to enhance education and
9 economic development in our region. We see great
10 potential here in working with our faculty and
11 environmental and ecological programs, engineering, resort
12 and hospitality management and many other courses and
13 programs and we look forward to getting the necessary
14 consultations and planning involving our faculty and
15 others involved in the project. Thank you for the time
16 this morning.

17 THE GOVERNOR: Thank you, sir. Happy Thanksgiving.
18 Any other speakers, Colleen?

19 MS. CASTILLE: We have about five, sir.

20 THE GOVERNOR: Bring them on.

21 MS. CASTILLE: Okay. Janet Bowman and Allison
22 DeFoor. I didn't see Allison. Okay. Allison is not
23 here. Preston Robinson after Janet.

24 THE GOVERNOR: Good morning.

25 MS. BOWMAN: Good morning. Janet Bowman. I'm the
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1 legal director at 1,000 Friends of Florida and I want to
2 thank the Governor and cabinet for your leadership in
3 addressing the water issue. I think we have a much better
4 contract this week than we did a couple weeks ago. And
5 we're supportive of the contract. There are a couple of
6 issues I just wanted to point out. We had some concerns
7 and we continue to regarding the use of the rural land
8 stewardship program. And there were a couple of
9 suggestions that I proposed to you-all last time for
10 tightening it up as far as not generating more credits
11 than were necessary for the development and also
12 specifying that the credits can't be used anywhere else
13 other than area six.

14 If it were up to me, I would put those provisions in
15 the contract. They are not in the contract, they're in
16 the interlocal agreement. And if the Legislature comes up
17 with the money to buy the land up front, this really won't
18 be an issue. But I do think it's something, you know,
19 you-all need to think about and decide. Since you are
20 changing some things in the contract, I think that would
21 really tighten things up and make for a better contract.
22 But overall, we're very pleased with the changes that have
23 been made and look forward to the purchase of the property
24 by the State. Thank you.

25 THE GOVERNOR: Thank you. Happy Thanksgiving.
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1 MR. ROBERTSON: Good morning. Preston Robertson,
2 vice president and general counsel of the Florida Wildlife
3 Federation. Happy Thanksgiving, to get a jump on you,
4 Governor. The federation supports this acquisition. This
5 is -- I worked on this personally for about three years
6 now and we want to thank everybody that's been involved
7 with this on the State level and especially Mr. Kitson.
8 We're going to protect a piece of old Florida that's
9 rapidly vanishing. I would last like to say and somewhat
10 reiterate what Ms. Bowman said. Would love for you-all to
11 consider paying for this out of general revenue if at all
12 possible to save the remaining monies in Florida Forever.
13 That's all I have to say. Thank you.

14 THE GOVERNOR: Thank you.

15 MS. CASTILLE: Marianne Gengenbach from the Nature
16 Conservancy.

17 MS. GENGENBACH: Good morning, Governor and members.
18 I'm Marianne Gengenbach with the Nature Conservancy. And,
19 first of all, we too would like to thank you for your
20 leadership and taking the time to ask for clarification of
21 this contract prior to giving it final approval. We think
22 that that extra time has resulted in a revised contract
23 that we think represents a big improvement. And in
24 particular, virtually all of the issues that we had raised
25 in our earlier correspondence to you seemed to have been
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1 resolved in the version of the contract that's before you.
2 The contract is also a lot more clear in terms of
3 outlining how an accelerated acquisition would be handled
4 by all parties. As such, we think that Babcock Ranch has
5 become a much wiser investment for the citizens of Florida
6 and we are very happy to be able to support you in this
7 landmark conservation effort.

8 And, of course, like everyone else, given the
9 extraordinary nature of this project and its value to the
10 future of Florida's natural resources, we hope that some
11 equally extraordinary funding alternatives can be found to
12 make this happen. We look forward to working with you and
13 the Legislature to make that happen. And we'd also like
14 to thank all of the folks at the Division of State Lands
15 and Mr. Kitson for all their hard work for all this time.

16 THE GOVERNOR: Thank you. I'm looking forward for
17 you supporting my budget recommendation. Hint, hint.

18 (Laughter.)

19 MS. CASTILLE: And the last two speakers, Monica
20 Monroe and Lisa Pardus.

21 MS. MONROE: Good morning, Governor Bush and
22 distinguished cabinet members. My name is Monica Monroe.
23 I'm on the Board of Directors of the Florida 4-Wheel Drive
24 Association.

25 THE GOVERNOR: I'm sorry?
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1 MS. MONROE: The Florida 4-Wheel Drive Association.
2 We are very happy with the Babcock Ranch agreement. We
3 did have a concern about the intent of the management
4 agreement to provide for motorized access to recreational
5 vehicles. This is going to be a very popular place for
6 outdoor recreation, hiking, equestrian, mountain biking
7 and hopefully off-road vehicle recreation.

8 Understandably, there are certain geographical areas
9 that will not be open to vehicular recreation. Sensitive
10 lands that should be protected due to the endangered
11 species and certain -- excuse me, I have a cold. A lot of
12 Babcock Ranch already has established trails and these
13 disturbed areas would be excellent to allow the public to
14 explore with motorized vehicles. I represent the Florida
15 4-Wheel Drive Association. We are over a dozen member
16 clubs throughout the state and we have over 2500 members.
17 Off-road ethics is of paramount importance to our
18 organization and we are deeply committed to preserving our
19 natural resources and promoting the principles of Tread
20 Lightly.

21 Regional clubs are active participants in trail route
22 designation, trail maintenance and are willing to pay a
23 fee for the privilege of a day spent in the woods. Right
24 now, the way the agreement reads, Section -- Paragraph 11,
25 Off highway vehicles as defined in Section 317.0003, shall

1 not be allowed on the property except for managers,
2 maintenance activities in emergency situations and when
3 necessary for compliance with the ADA.

4 The definition under Florida Statute for OHVs are
5 all-terrain vehicles and motorcycles. Our organization
6 actually represents jeeps, trucks, SUVs, four-wheel drive
7 vehicles that go off-road. Our members are mainly between
8 the ages of 25 and 40. These are professional people. We
9 are a family oriented organization and we give back to the
10 community. We sponsor trail cleanups. We are very
11 committed to keeping our area clean.

12 In the south part of the state there is actually no
13 opportunities for public land access to off-road vehicles.
14 So what we're looking for is basically clarification in
15 the intent of the management agreement. Paragraph 11, we
16 would like to include off-road recreational vehicles and
17 that would be including registered 4-wheel-drive jeeps,
18 trucks and SUVs to be permitted on designated trails.

19 THE GOVERNOR: You want clarification or you want
20 change? I mean there is nothing -- the contract is clear,
21 right? You just don't like it.

22 MS. MONROE: Right now the way it reads -- my member
23 organization, we are actually not prohibited under the --
24 the way it exists -- the way the agreement is phrased
25 right now, only ATVs and off highway motorcycles are.

1 But --

2 THE GOVERNOR: Eva, is there -- the difference
3 between clarity and asking for a change is important. So
4 I just want to make sure that the contract is clear. Are
5 you --

6 MS. MONROE: We wanted clarification. We just wanted
7 to make sure our interests are going to be protected in
8 that area.

9 CFO GALLAGHER: Let me ask you this. The vehicles
10 you want on there, are they allowed on there now?

11 MS. MONROE: Are they allowed on there now?

12 MS. CASTILLE: Only the owners' vehicles are allowed
13 on there now. There is no public access to the event -- I
14 mean to the area. There are swamp buggies that are
15 allowed on there and there are jeeps, trucks, et cetera.
16 There is a specific concern with all-terrain vehicles and
17 that would be restricted. That's the specific
18 restriction, to all-terrain vehicles, would not be allowed
19 on the property because of the number of fences, the kind
20 of fences and the concern for liability because the fences
21 are just those wire -- the gates are those wire fences
22 across and people are concerned about public safety.

23 THE GOVERNOR: I think this will also be worked out
24 in the management plan. This management agreement sets
25 the framework for how to pursue the plan. The plan is the
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1 plan that the Division and FWC will establish and I think
2 that's probably the place where this should be sorted out.

3 MS. CASTILLE: It will be. And there will be a
4 public process as well.

5 MS. MONROE: Okay. Thank you.

6 THE GOVERNOR: Thank you for coming and sharing your
7 views.

8 MS. CASTILLE: And then Lisa.

9 THE GOVERNOR: Lisa who?

10 MS. CASTILLE: Lisa Pardus. No? Okay. That
11 concludes the speakers.

12 THE GOVERNOR: Very good. So we have in front of us
13 a motion as amended and a second. Any other discussion?

14 MS. CASTILLE: Can I get some clarification on
15 whether the amendment that I suggested and the amendment
16 that Charlotte County suggested are included in that?

17 CFO GALLAGHER: They're both in there.

18 THE GOVERNOR: They're both included.

19 MS. CASTILLE: They're both included.

20 CFO GALLAGHER: Anybody have a problem with that?

21 THE GOVERNOR: And the agriculture management issue
22 is also included that was not in the contract. I think
23 that's it. Any other discussion? All in favor say aye.
24 (Aye.)

25 Opposed.

1 (No response.)

2 Congratulations.

3 MS. CASTILLE: Thank you, Governor, members of the
4 cabinet.

5 (Applause.)

6 You've now successfully approved the largest
7 conservation land acquisition in the state of Florida.

8 THE GOVERNOR: Great.

9 MS. CASTILLE: And Mr. Kitson would like to say a few
10 words.

11 CFO GALLAGHER: Let me mention one thing, if I may,
12 Governor. Considering where we are cash wise and with the
13 revenue estimating conference, I've sent a letter to you
14 and the speaker and the president recommending that we
15 would do a couple of things. One, do the Everglades with
16 cash which right now in the other budget was to be
17 financed and there is a purchase that is looked at to be
18 spent in the beginning of January. The other one is to
19 look at purchasing with cash even though it may be the
20 tranches, whichever, but use cash because there is a two
21 good things happen there. One, we save a ton of interest
22 over a 20-year period. Somewhere between 150 to \$2
23 million. And, secondly, that interest becomes a recurring
24 dollars available to the State to spend over those years
25 if you don't have to pay the interest on it. So I just

1 wanted -- I know there's a lot of environmentalists all
2 worried about us, taking Florida Forever money and not
3 having it available for other lands. And if we are able
4 to get the legislative leadership to go along with what
5 I'm recommending, that will loosen that up and not have
6 that be pressure on that other money.

7 MS. CASTILLE: Thank you.

8 MR. KITSON: Governor and cabinet, I just want to
9 thank you very much. We're very proud to be a small part
10 of this.

11 THE GOVERNOR: Small part?

12 (Laughter.)

13 MR. KITSON: But really, I just want to thank very
14 briefly the cabinet aides for their work, Secretary
15 Castille and her staff and the hours that went into this
16 are extraordinary. Eva Armstrong and her group. I just
17 can't tell you the number of hours and the amount of hard
18 work that went into this on all parties and I'd like to
19 thank both the counties for all the work that they've
20 done. It's been a tremendous collaborative effort to have
21 all this done. I appreciate it and thank you very much.

22 THE GOVERNOR: Thank you, Syd.

23 General?

24 GENERAL CRIST: Thank you, Governor. I just wanted
25 to congratulate all the parties involved. This is
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1 historic, Madam Secretary, and great work to you. To the
2 commissioners involved, thank you for your hard work. To
3 the commission and the Department of Agriculture and,
4 Governor, it happened on your watch. And I want to
5 congratulate you. Teddy Roosevelt would certainly be
6 proud today of what Florida is doing to preserve this land
7 for future generations. It's the right thing to do.
8 Thank you.

9 MS. CASTILLE: And, Governor, I cannot leave here
10 without asking Eva Armstrong to come up here because Eva
11 has worked on not just this deal for the last four months
12 day and night, but has been working on this deal for four
13 years. She's been working on this particular deal for
14 four years. And from last year until now, it has been
15 probably 90 percent of her waking hours. And her waking
16 hours have been far more than one is typical in this deal
17 because it's just been day and night and weekend and --

18 (Applause.)

19 MS. ARMSTRONG: I want everybody with the Division of
20 State Lands to please stand up. I did not do this by
21 myself. And everybody that's listening on the Internet
22 for state lands, it was a whole team and it wasn't just
23 us. It was Fish and Wildlife, you ought to stand up. And
24 it was DACS, you ought to stand up. It was everybody.
25 This was really a team effort. When they talk about
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1 saving a ranch and 74,000 acres, it was two counties, it
2 takes a state. You know, as silly as it sounds, it takes
3 a state. Terrible analogy, but it's true. It takes a lot
4 so thank you very much. I have all you guys running
5 around in my head every night. It's terrible. Maybe I
6 can sleep now. So anyway, it was lot of people. Thank
7 you.

8 CFO GALLAGHER: There is no doubt that this is the
9 most complicated purchase that this state has ever been
10 involved in and we had to deal with estate planning, tax
11 issues. Luckily, Kitson and Partners came up and figured
12 out how to handle out all those problems, got them off our
13 back and delivered us a product and then we had to figure
14 out how to take care of that. But it took a lot of effort
15 and a lot of smart people on the State's side and on the
16 other side to make it all happen.

17 And it truly -- looks, when you read it, it looks
18 simple but it was a very complicated deal to do and I want
19 to congratulate you, Eva, from the State's side and
20 certainly all your team because it really -- it's a great
21 deal to get finished and I know it's going to be something
22 that the people of Florida, generation after generation
23 are going to be able to enjoy.

24 MS. ARMSTRONG: Well, thank everybody. Everybody had
25 their fingers on this one and see we got a ways to go yet.

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We're not done.

THE GOVERNOR: All right. We're finished though.

(Thereupon, the proceedings concluded at 10:55 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, KRISTEN L. BENTLEY, Court Reporter, certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 57 are a true and correct record of the aforesaid proceedings.

I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 5th day of December, 2005.

KRISTEN L. BENTLEY, RPR
Court Reporter
Notary Public
850-878-2221

