

AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
SEPTEMBER 19, 2006

Item 1 **Minutes**

Submittal of the Minutes from the May 31, 2006 and June 15, 2006 Cabinet Meetings.

(See Attachment 1, Pages 1-52)

RECOMMEND APPROVAL

Item 2 **City of Fernandina Beach Recommended Consolidated Intent**

REQUEST: Consideration of an application for (1) a ten-year term sovereignty submerged lands lease containing 947,491 square feet (21.75 acres), more or less, for a managed, municipal mooring field; and (2) waiver of lease fees.

COUNTY: Nassau
 Lease No. 450338822

APPLICANT: City of Fernandina Beach (City)

LOCATION: Section 17, Township 03 North, Range 28 East, in the Amelia River, Class III Waters, within the local jurisdiction of Nassau County
 Aquatic Preserve: No
 Outstanding Florida Waters: No
 Designated Manatee County: No
 Manatee Aggregation Area: No
 Manatee Protection Speed Zone: No

CONSIDERATION: The project qualifies for a waiver of lease fees pursuant to section 18-21.011(1)(b)(7), F.A.C., which states that fees may be waived for government entities that are either not-for-profit or non-profit uses when the revenues are used for operation and maintenance of the structure and the activity is consistent with the public purposes of the applicant organization and is not an adjunct to a commercial endeavor.

STAFF REMARKS: The City is proposing to create a 947,491-square-foot (21.75-acre) mooring field that will be open to the public on a first-come, first-served basis. The mooring field will be located within the vicinity of the confluence of the Amelia River with Lanceford Creek and the Bells River. More specifically, the mooring field will be located off of the east-northeast corner of New Island on the west side of the Amelia River across from the City's existing city-owned, revenue generating marina in the downtown area of Fernandina Beach. The mooring field is also adjacent to a federal shipping channel within the Amelia River.

Item 2, cont.

The mooring field will be located in the open waters of the Amelia River west of the federal shipping channel. No portion of the mooring field, including vessels utilizing the mooring field, will encroach more than 125 feet from the channel. New Island is a privately-owned upland island that is located within the vicinity of the proposed mooring field. The City selected the location so as not to affect ingress and egress from the island to open water. Further, this location was selected to avoid the open water area which lies perpendicular to and west of the channel. The mooring field, as located, will not be riparian to any upland property including New Island, from which a band of navigable water between 200 to 400 feet in width will remain between the island and the mooring field. However, section 18-21.004(3)(b), F.A.C., allows for activities on sovereignty submerged lands that are not riparian to uplands when such activities do not unreasonably infringe on existing riparian rights.

The U. S. Army Corp of Engineers (ACOE) regulatory section requested comment from the U. S. Coast Guard (Coast Guard) and the ACOE construction-operations section in regards to the location of the proposed mooring field and its potential to affect navigation within the federal shipping channel. Neither the Coast Guard nor the ACOE object to the location of the proposed mooring field and do not anticipate any adverse affect to navigation. ACOE issued a permit for the proposed mooring field on July 24, 2006.

The mooring field will consist of 20 mooring stations that can accommodate recreational boats up to 60 feet in length. All of the moorings will be available for rent to the public on a 'first-come, first-served' basis. The mooring field will provide short-term mooring for transient boats or long-term mooring for locally registered vessels. Mooring will only be available for registered and operational vessels that can maneuver under their own power and vessels in compliance with Coast Guard regulations and safety standards. A Management Plan for the Mooring Field addresses rules and requirements for users, general prohibitions, emergency procedures including fuel and sewage spill response, severe weather contingency, and all other appropriate management content.

On June 20, 2005, the Department of Environmental Protection (DEP) issued a noticed general permit (No. 45-248887-001-EG) for the installation of the 20 mooring structures. Staff inspected the project area and determined that the structures and mooring area will be located within open waters varying in depth from 8 to 15 feet and will not affect any emergent vegetation or submerged aquatic resources. This determination was supported by information provided by the City. Sufficient water depths exist within the mooring field to eliminate the need for dredging.

Sovereignty Submerged Lands Lease No. 450963069 authorizes the City's existing 72-slip marina. The mooring field will be managed and operated by marina staff. The marina will provide harbormaster facilities for patrons of the mooring field. These activities include sewage pumpout services, waste collection and receptacles, restrooms and showers, laundry facilities, and ship stores. Users of the mooring field will be required to enter into a Mooring

Item 2, cont.

Field Use Agreement with the City which will include requirements to use the sewage pumpout facilities, prohibit the discharges of gray water while moored, prohibit discharges of solid or liquid wastes into the adjacent waters, prohibit any major repairs or refitting of vessels except in case of an emergency, and compliance with conditions contained in the lease and other state permits. Vessel operators will be required, per the Mooring Field Use Agreement, to empty their sewage holding tanks at the marina pumpout station.

The City requests that liveaboards be allowed to moor at the facility. Allowing for overnight stays will provide an opportunity for vessel operators to visit downtown Fernandina Beach, Ft. Clinch State Park, and the Amelia Island area. The City understands that liveaboards are defined as vessels mooring for 5 consecutive days or a total of 10 days within a 30 day period and that in no event will a liveaboard status exceed 6 months within a 12-month period, and the City has agreed to comply with this as a standard lease condition. Staff will not require that a water quality monitoring program be implemented by the City in its management of the mooring field. While in some cases such a plan would indicate whether a water quality violation caused by inappropriate sewage holding tank discharges exists, such a program would be ineffective here given that this section of the Amelia River is subject to a tidal range of no less than 6 feet. The velocity of flood and ebb tides in this area of the river averages two knots per hour. Therefore, any unauthorized sewage discharge, and the resulting water quality violation, would not likely be observed in a water quality monitoring program. In lieu of such a program, the Mooring Field Use Agreement for liveaboard vessels will however require that vessel sewage holding tanks be pumped out every three days unless the Marina Director or Harbormaster has approved an alternate pumpout schedule. Alternate pumpout schedules will be determined on a case-by-case basis and will be dependent upon such factors as the size of the holding tank and type and class of treatment system and number of persons staying on board. A special lease condition shall require the City to ensure that users of the mooring field pumpout their sewage holding tanks once every three days or on an alternate schedule as approved by the Marina Director or Harbormaster. Such pumpout surveillance is seen as more protective of water quality given the strong hydrology of the location.

A special lease condition shall require that the City employ the Mooring Field Use Agreement in its management of the mooring field. Further, a special lease condition will require that City marina staff develop a log sheet with a standard checklist to document that a vessel mooring at the field will comply with the conditions of the Mooring Field Use Agreement and the sovereignty submerged lands lease. The checklist may be modified and refined as issues arise that need to be addressed.

In conjunction with past Board of Trustees' actions related to municipal mooring fields, local governments seeking authorization for mooring fields have enacted ordinances to prevent unauthorized mooring, waste disposal, and other activities which may otherwise adversely affect natural resources on sovereignty submerged lands within and adjacent to proposed mooring fields. In these past cases the proposed mooring fields fell within those local

Item 2, cont.

governments' jurisdictional limits. However, the mooring field proposed in this item, as proposed at this time, is located outside of the City's jurisdictional limits. Therefore, the City has proposed to annex the sovereignty submerged lands within and surrounding the proposed mooring field. If the Board of Trustees approves the proposed mooring field, the Division of State Lands will consent to such annexation on behalf of the Board of Trustees, which will be required as a special approval condition prior to the execution of the lease. As an additional special approval condition of the lease, the City will enact an ordinance which will require boaters within the annexed area of sovereignty submerged lands to utilize the mooring field if they desire to anchor within the area. The ordinance will further serve to ensure boater compliance with proper disposal of waste and other local, state, and federal ordinances, rules, and laws regulating boating activities and which protect natural resources in the area.

In addition to the annexation of sovereignty submerged lands and passing of an ordinance regulating activities within the annexed area by the City, the City shall enter into a Memorandum of Understanding (MOU) with Nassau County and the Nassau County Sheriff's Office which will enable the Sheriff's Office to assist the City in patrolling the sovereignty submerged lands within the vicinity of the proposed mooring field. Specifically, the MOU identifies those sovereignty submerged lands located within the City's existing marina, within the proposed mooring field, and the waters of Kingsley Creek, the Amelia River, and their tributaries to a westerly limit at longitude -81 28' 57" from north of State Road 200 to the State Line and east to the Atlantic Ocean as the area to be patrolled by the Sheriff's Office. Execution of the MOU is expected to occur in October 2006. A special lease condition shall require that the City maintain the MOU for the duration of the sovereignty submerged lands lease and for any subsequent renewals.

The City requests that the mooring field be granted a waiver of the annual lease fees pursuant to section 18-21.011(1)(b)7, F.A.C. All revenues collected from the mooring field will be used to offset operation and maintenance costs only. The City will provide annual accounting data to demonstrate whether the mooring field is generating revenue beyond the cost of the operation of the mooring field. In the event the accounting data demonstrates that the mooring field is a revenue generating activity, the City will submit lease fees for the use of the sovereignty submerged lands pursuant to section 18-21.011, F.A.C. The submittal of accounting data, and payment of lease fees in the event of revenue generation, will be required as a special lease condition. To assist the Lessee in maintaining appropriate financial records pertaining to income associated with the mooring field on sovereignty submerged lands and to avoid confusion on behalf of the lessee regarding slip income and associated accounting and reporting practices, a special lease condition in the proposed lease has been included.

No property owners were located within a 500-foot radius of the project area. Therefore the proposed lease was noticed in a newspaper of local circulation within the project locality, pursuant to section 253.115(5), F.S. DEP received one objection from an owner of a portion of New Island. The objection was received via phone, as of this date no written objection has

Item 2, cont.

been received. The objection alleged that the proposed mooring field location would infringe on the riparian rights appurtenant to New Island. However, during staff inspection of the proposed mooring field location, staff identified navigable waters lying between the mooring field location and New Island and performed depth soundings in the applicable area. This stretch of navigable waters has a varying width of 400 to 600 feet and had depths of 6 to 12 feet. Staff believes that adequate depth and space exist to allow for ingress and egress from the east side of New Island to the federal shipping channel. The objection also included concerns regarding the city's management of the marina. The objector alleges that the City does not enforce a provision of a berthing agreement employed at the marina, which requires liveaboards moored at the marina to regularly discharge sewage to the pumpout facility. The City strongly disputes this allegation and believes it has demonstrated that it does indeed enforce all terms of the berthing agreement. The City is willing to provide records related to marina patron use of on-site sewage disposal via logs or receipts as well as its records related to enforcement actions, including eviction, which it has taken against patrons of the marina who failed to comply with the berthing agreement. A special lease condition shall require enforcement of both the Management Plan and the Mooring Field Use Agreements.

Recreational vessels routinely anchor within the project vicinity throughout the year, numbering generally between 5 to 20. The current level of mooring and other associated activities on sovereignty submerged lands has not caused significant damage to natural resources in the area. Further, on-going mooring has not created a significant navigational concern or waste disposal issue. There is however potential for such use to increase in the future. The MOU, proposed ordinance, proposed special lease conditions, and the proposed special approval conditions are expected to prevent any problematic issues from developing in the future while ensuring proper maintenance and management of the mooring field and adjacent sovereignty submerged lands presently.

The recommendation of the Florida Fish and Wildlife Conservation Commission regarding the protection of manatees has been included as a special lease condition.

A local government comprehensive plan has been adopted for this area pursuant to section 163.3167, F.S.; however, the Department of Community Affairs (DCA) determined that the plan was not in compliance. In accordance with a compliance agreement between DCA and the local government, an amendment has been adopted which brought the plan into compliance. The proposed activity is consistent with the adopted plan as amended according to a letter received from Nassau County dated June 20, 2006.

(See Attachment 2, Pages 1-25)

**RECOMMEND APPROVAL SUBJECT TO THE SPECIAL APPROVAL CONDITIONS
AND THE SPECIAL LEASE CONDITIONS**

**Board of Trustees
Agenda - September 19, 2006
Substitute Page Six**

**Substitute Item 3 BOT/SJRWMD Acquisition from Land South Hunters, LLC/
Joshua Creek Property/Econ - St. Johns Ecosystem Florida Forever
Project**

REQUEST: Consideration of the acquisition from Land South Hunters, LLC of 1,810 acres more or less of the 4,569-acre parcel known as Joshua Creek within the Econ-St. Johns Ecosystem Florida Forever project, in consideration for the Board of Trustees' financial contribution towards the purchase of said lands.

COUNTY: Orange and Seminole

LOCATION: Section 35, Township 21 South, Range 33 East; Sections 02 through 11, Township 22 South, Range 33 East; and Sections 01 and 12, Township 22 South, Range 32 East

CONSIDERATION: \$25,000,000 (Board of Trustees' 50 percent share of the total purchase price of \$50,000,000), as adjusted pursuant to the terms of the acquisition agreement by and between the St. Johns River Water Management District and the Board of Trustees.

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRaised BY</u> Clayton (05/02/06)	<u>APPRaised BY</u> Goodman (05/02/06)	<u>APPROVED</u> <u>VALUE</u>	<u>SELLER'S</u> <u>PURCHASE</u> <u>PRICE</u>	<u>TRUSTEES'</u> <u>PURCHASE</u> <u>PRICE</u>	<u>CLOSING</u> <u>DATE</u>
Land South Hunters	1,810 BOT	\$29,000,000	\$31,500,000	\$31,500,000	see below*	\$25,000,000** (79%)	04/06/07
Total Prop	4,569	\$57,750,000	\$63,000,000	\$63,000,000	\$32,353,700*	\$50,000,000	04/06/07

* Seller had a large portion of the property under contract since March 7, 2005. The property was purchased with a mitigation bank on a portion of the property that was in bankruptcy, and the current seller agreed to handle the bankruptcy and finally acquired the property in March 30, 2006.

** \$13,812 Board of Trustees price per acre

NOTED FEATURES:

Equitable division (50/50 value split). North Parcel is 1,810 acres; however, an additional 85 acres of sovereignty land will be included in the North Parcel acquisition, but is not part of the value. The sovereignty land is included in the legal description, but is not valued and not part of the purchase price.

Maximum Approved Value for the North Parcel is \$31,500,000 which is \$17,403 per acre.

District and Orange County are purchasing 2,674 acres which includes 992 acres of Conservation Easement area and 1,682 acres not in easement area.

Review appraiser has provided an "Analysis of Equitable Division" indicating equal value amounts for the divided portions of the overall 4,569-acre land tract into equally valued North and South parcels.

Value of North Parcel is subject to seller reacquiring the outstanding oil, gas and mineral reservation over 38.6 acres.

The North Parcel does not include any of the conservation easement area (mitigation bank).

Seller's Reservation noted in the Purchase Agreement does not affect the North Parcel, it pertains to the conservation easement area which is being purchased by the District.

STAFF REMARKS: The Econ-St. Johns Ecosystem is an "A" group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on August 15, 2006. The project contains 28,031 acres, of which 8,164 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, 15,298 acres or 55 percent of the project will remain to be acquired.

Substitute Item 3, cont.

Pursuant to the acquisition agreement with the St. Johns River Water Management District (District) approved by the Board of Trustees on August 15, 2006, the District has taken the lead in order to facilitate this joint acquisition. Department of Environmental Protection (DEP) staff has prepared an acquisition agreement that will allow the District to acquire the 4,569-acre Joshua Creek property, utilizing the procedures set out in section 373.139, F.S. On September 13, 1994, the Board of Trustees approved the use of the District's procedures to allow the District to acquire lands to be held jointly by the Board of Trustees and the District. Due to Orange County's participation, the acquisition has been split so that the Board of Trustees acquires 100 percent interest in the north portion of the property. The District will acquire 100 percent interest in the south portion of the property, subject to a conservation easement, with the right to convey up to 50 percent interest of its portion of the acquisition to Orange County.

Incorporated into the acquisition agreement are a number of assurances that the District is giving the Board of Trustees in return for its consideration of this agreement. The District agreed to: (a) comply with the procedures set out in section 373.130, F.S.; (2) defend the Board of Trustees against all title and survey disputes or defects and environmental contamination associated with the acquisition of the North Parcel negotiated by the District that were either known or should have been known by the District at the time the District acquired the parcel, but were not disclosed to the Division of State Lands (DSL); and (3) the District shall be responsible for responding to any audit, legal or other investigation pertaining to any phase of its acquisition of any parcel covered by this agreement.

The District obtained appraisals, DSL obtained the appraisal review and the District negotiated, and entered into a purchase and sale agreement to acquire this 4,569-acre parcel from Land South Hunters, LLC. District staff and DEP staff agreed to divide the property by value with approximately 50 percent of the total parcel value being conveyed to the District (South Parcel) and approximately 50 percent of the total parcel value being conveyed to the Board of Trustees (North Parcel). This will allow the District to convey an undivided 50 percent interest in the South Parcel to Orange County. The actual amount and the percentage of each party's contribution may change after a final determination of acreage is made.

The Governing Board of the District adopted Resolution No. 2006-29 on August 8, 2006, which approved the acquisition agreement between the District and the Board of Trustees, the purchase price, and the purchase agreement between the District and Land South Hunters, LLC. The Orange County Board of County Commissioners approved a participation agreement on August 22, 2006, which declared its support for the acquisition. If the Board of Trustees approves this acquisition, the District will purchase the property from Land South Hunters, LLC. The District will close the transaction on behalf of the Board of Trustees, subject to DSL's review and approval of the survey, environmental site assessment, title commitment and closing documents for the North Parcel, as provided in the acquisition agreement.

Substitute Item 3, cont.

All mortgages and liens will be satisfied at the time of closing. Approximately 38.6 acres of the northeast section of the North Parcel are encumbered by an oil, gas and mineral reservation in favor of Wilson Cypress Company. The seller will reacquire the oil, gas and mineral reservation prior to closing. An ingress and egress easement provides access to the out-parcels in the South Parcel and also provides additional access to the North Parcel. There is a 10-foot-wide electric distribution easement. There is a 300-foot-wide Florida Power and Light easement located on the western portion of the property. The District has agreed to grant the Board of Trustees a blanket ingress and egress easement over existing roads and trails within the existing perpetual conservation easement, which will provide access to the St. Johns River along the northeast portion of the North Parcel. All encumbrances were considered and have no effect on value. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to the Department of Environmental Protection (DEP) the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately. Because these issues were discovered during preliminary due diligence, further research may change the facts and scope of each issue and, therefore, DEP staff will review, evaluate and implement an appropriate resolution for these and any other title issues that arise prior to closing.

A title insurance policy will be provided by the seller and a survey, an environmental site evaluation and, if necessary, an environmental site assessment will be provided by the purchaser prior to closing. If required, the seller will provide a phase II environmental site assessment. The Board of Trustees and the District will each be responsible for the appropriate percentage of the cost of the purchaser-provided due diligence items, pursuant to the acquisition agreement approved by the Board of Trustees on August 15, 2006.

Between the growing cities of Orlando and Titusville is a near wilderness through which the middle St. Johns River flows. The Econ-St. Johns Ecosystem project will protect part of this undeveloped area along Puzzle Lake where the Econlockhatchee River flows into the St. Johns, adding to conservation lands already on the river, protecting habitat for bald eagle and other wildlife and rare plants, preserving several archaeological sites, and providing the public of this urbanizing region opportunities for canoeing, fishing, hunting, and other recreation.

The site will be managed by the Florida Department of Agriculture and Consumer Services, Division of Forestry under a multiple-use management regime consistent with the State Forest system.

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

Substitute Item 3, cont.

(See Attachment 3, Pages 1-101)

RECOMMEND APPROVAL, SUBJECT TO THE TERMS OF THE ACQUISITION AGREEMENT BY AND BETWEEN THE ST. JOHNS RIVER WATER MANAGEMENT DISTRICT AND THE BOARD OF TRUSTEES, AS APPROVED BY THE BOARD OF TRUSTEES ON AUGUST 15, 2006.

Item 4 **DMS Lease Amendment (SouthCom)/Sublease/Leaseback Agreement/
Determinations/DOA**

REQUEST: Consideration of (1) an amendment to Lease No. 4489; (2) a sublease (ground lease) between Department of Management Services and a developer (to be determined); (3) a leaseback agreement between said developer and Department of Management Services; (4) a determination that, pursuant to section 18-2.018(3)(a)1., F.A.C., an amendment to Lease No. 4489 to extend the term to 50 years with four, 10-year renewal options, and the coterminous sublease and leaseback agreement, are in the public interest; (5) a determination that, pursuant to section 18-2.018(1)(a), F.A.C., the proposed amendment to Lease No. 4489, sublease, and leaseback agreement are not contrary to the public interest; and (6) delegation of authority to the Secretary of the Department of Environmental Protection, or designee, to approve modifications to Lease No. 4489, the sublease, or the leaseback agreement made subsequent to Board of Trustees' approval that are not substantive in nature.

COUNTY: Miami-Dade

APPLICANT: Department of Management Services (DMS)

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

STAFF REMARKS: On September 21, 2004, the Board of Trustees approved a 10-year lease (Lease No. 4489), with four 10-year renewal options, to DMS, for 40 acres, more or less, of state-owned land to construct a Class A office building for the United States Southern Command headquarters facility (Southcom).

DMS is requesting a lease amendment to Lease No. 4489 to amend the term of the lease to a 50-year term, with four 10-year renewal options. Also, DMS is requesting to replace the legal description of the leased premises with a legal description which includes all, or a portion, of the entire 62.3-acre state-owned parcel.

Item 4, cont.

Additionally, DMS is requesting approval of a sublease (agreement to lease) to the developer for the finance, construction, operations and maintenance of the Southcom headquarters. The agreement to lease is the ground lease between DMS and the developer. It provides the developer with the rights to the land so that it can develop the property into the envisioned Southcom headquarters. At the end of the lease term, it provides for the return of the land and improvements to DMS. DMS is also requesting approval of a leaseback agreement from the developer to DMS. The leaseback agreement is the document that governs the developer's leaseback of the completed headquarters facility to DMS, so that DMS can then sublease the facility to the General Services Administration of the United States of America (GSA). The agreement to lease and leaseback agreement terms will be coterminous with the amended term of Lease No. 4489, which is 50 years, with four 10-year renewal options.

The selection process being used in the Southcom solicitation is a two-step process. It incorporates elements of the two-step ITN process and elements of GSA's standard solicitation process. The selection team is made up of representatives from the state, Southcom and GSA, with the state nominating three of the five voting members. The execution of each of these steps is being supervised by the DMS purchasing department. It conforms to all of the Sunshine Law requirements. The initial step was the prequalification step and sought to identify the most qualified developers. The submissions were rated on experience, past performance, management plan, and financial capabilities. The result of this step was a group of three qualified developers that were selected to proceed on to step two. The second step in the solicitation is ongoing and will review design and price to determine the best value. The respondents will be rated based on their submitted conceptual design, development plan, operations plan and pricing. The responses are due back to DMS by October 16, 2006.

Pursuant to section 18-2.018(1)(a), F.A.C., the decision to authorize the use of Board of Trustees' uplands requires a determination that such use is not contrary to the public interest. In addition, pursuant to section 18-2.018(3)(a)1., F.A.C., a lease shall not exceed a maximum term of 50 years unless the Board of Trustees determines the extended lease term is in the public interest. The location of the Southcom headquarters in the Miami area significantly impacts the community and the state as a whole. Southcom's presence provides a strategically-located defense center for the State of Florida as well as the entire United States of America. Miami is known as the Gateway to the Americas, and the presence of Southcom reinforces that recognition and underpins Florida's bid to secure the Permanent Secretariat of the Free Trade Area of the Americas in Miami. Southcom generates over \$186 million annually and employs over 1,500 uniformed and civilian personnel, thus further stimulating the local economy. Because of these factors, staff is of the opinion that a 50-year lease term, with four 10-year renewal options, is in the public interest.

Item 4, cont.

A local government comprehensive plan has been adopted for this area pursuant to section 163.3167, F.S. The Department of Community Affairs has determined that the plan is in compliance. The proposed action is consistent with the adopted plan according to a letter received from Miami-Dade County Planning Department.

(See Attachment 4, Pages 1-7)

RECOMMEND APPROVAL

Item 5 BOT/UM Exchange Agreement/DCF Lease Agreement/Camillus House, Inc. Sublease Agreement/Determination

REQUEST: Consideration of (1) an exchange agreement under which the Board of Trustees will convey three parcels of state-owned non-conservation land containing approximately 7.87 acres in exchange for three parcels containing approximately 268.09 acres owned by the University of Miami; (2) a determination that, pursuant to section 18-2.018(3)(a)1., F.A.C., a 60-year lease and sublease term are in the public interest; (3) a 60-year lease agreement on 3.41 acres, more or less, to the Department of Children and Families; and (4) a 60-year sublease agreement on 3.41 acres, more or less, to Camillus House, Inc.

COUNTIES: Miami-Dade and Monroe
Lease No. 4536
Sublease No. 4536-01

APPLICANT: Department of Children and Families (DCF) and Camillus House, Inc. (CHI)

LOCATION: Section 36, Township 53 South, Range 41 East (Camillus House); Section 36, Township 60 South, Range 39 East (Keys Parcel); and Section 32, Township 52 South, Range 37 East (Dade Parcel);

CONSIDERATION: Glass Building, Keys Parcel, and Dade Parcel, and cash payment of \$7,844,360 to be deposited in the Internal Improvement Trust Fund.

Item 5, cont.

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>			<u>EXCHANGE</u> <u>VALUE</u>	<u>CLOSING</u> <u>DATE</u>
		Birch <u>03/14/06</u>	AHM <u>03/14/06</u>	Benson <u>08/15/06</u>		
Glass Building	1.21	\$2,210,000	\$2,250,000		\$ 2,230,000 ¹	120 days after BOT Approval
Keys Parcel	66.88			\$200,640	\$ 200,640	
Dade Parcel	200.00				\$ 20,000 ²	
Consideration due from UM					\$ 7,844,360	
TOTAL					\$10,295,000	
North Parcel N½	1.72	\$2,030,000	\$2,255,000		\$ 2,255,000	
North Parcel S½	1.13	\$1,330,000	\$1,475,000		\$ 1,475,000	
Camillus House	5.02	\$5,910,000	\$6,565,000		\$ 6,565,000	
TOTAL					\$10,295,000	

¹ The approved value reflects the average of the two appraisals pursuant to section 18-2.020(2)(d), F.A.C.

² Value based on comparable sales analysis pursuant to section 253.034(6)(g), F.S.

STAFF REMARKS: In 2003, the Department of Transportation (DOT) donated 5.02 acres to the Board of Trustees for lease to DCF and sublease to Charity Unlimited of Florida, Inc. (CUF) for a homeless shelter and treatment facility (Camillus House). CUF is a non-profit group that provides humanitarian services to persons in Miami-Dade County who are poor and homeless. Services include basic emergency services such as food and shelter, substance abuse treatment, health and mental health care, housing and career development. The Camillus House site is in an area where the University of Miami (UM) has existing facilities and is seeking to build a bioscience center that would help revitalize the area. The site is particularly attractive because it is surrounded by three additional parcels of land owned by DOT containing approximately 1.72 acres (DOT North Parcel N½), 1.13 acres (DOT North Parcel S½), and 2.20 acres (DOT South Parcel), that are also surplus to DOT's needs. The City of Miami (City), in recognition of an opportunity to locate both the much desired bioscience center and homeless shelter in the area, withheld approval of a planning and zoning exception needed by CUF to build the shelter. All interested parties subsequently met to develop a plan that would provide optimum use of the public lands and the greatest combination of benefits to the area and the citizens of the State of Florida. As a result of those efforts, DCF has submitted a request for the following land exchange:

Item 5, cont.

- DOT will donate its three parcels (North Parcel N½, North Parcel S½, and South Parcel) to the Board of Trustees;
- The Board of Trustees will then convey to UM the North Parcel N½, North Parcel S½, and 5.02-acre Camillus House site for the bioscience center (under DOT's surplus procedures, it can not convey directly to UM, and UM has no land of interest to DOT that would support a land exchange). The Board of Trustees will keep title to the DOT South Parcel;
- UM will convey to the Board of Trustees its 1.21-acre facility (Glass Building). The Board of Trustees will then lease the Glass Building and 2.20 acre DOT South Parcel to DCF, resulting in a 3.41-acre replacement site for the homeless shelter; and

DCF and CUF recommend approval of the exchange because they will receive the necessary exception from the City to allow them to proceed with construction. UM and the City support the exchange because the bioscience center will significantly further one of the state's top policy objectives of diversifying the state's economy.

Department of Environmental Protection (DEP), Division of State Lands (DSL), staff recommend approval of the exchange because it will result in the acquisition of 66.88 acres located within the Florida Keys Ecosystem Florida Forever Project to be managed by the U.S. Fish and Wildlife Service as part of Crocodile Lakes National Wildlife Refuge. In addition, the Board of Trustees will acquire 200 acres of land located in South Florida Water Management District (SFWMD) water conservation area 3A that will enhance the state's ability to protect water resources in South Florida. The 200-acre parcel is subject to an easement to the SFWMD.

UM will be required to pay cash boot in the amount of \$7,844,360, which will be deposited in the Internal Improvement Trust Fund.

The cash boot to be paid by UM in this value-for-value exchange is recommended for approval due to the unique economic and educational opportunities to be derived from the proposed bioscience center. The State of Florida has been focusing efforts on attracting such facilities and the bioscience center, in addition to the Scripps Research Institute recently approved by the Board of Trustees, will further help propel the state to the forefront of biomedical research and discovery. The new facility will foster scientific research, technology development and educational activities, and will promote the incubation of business innovations by attracting scientists, researchers and leading life-science companies to the City. UM estimates that the center could create 5,000 new jobs bringing in an estimated \$263 million in salaries to the area.

Item 5, cont.

The lands to be donated by DOT to the Board of Trustees will be subject to a deed restriction that restricts use of the lands solely for public purposes pursuant to section 337.25, F.S. DOT has agreed to release the deed restriction from the lands to be conveyed to UM. The deed restriction will remain on the DOT South Parcel.

The exchange agreement requires approval of comprehensive plan amendments, rezoning requests and special exceptions for the various properties prior to the exchange being completed to insure that all parties will be able to use the properties as proposed.

Following the exchange, Camillus House, Inc. (CHI), not CUF, will be the new sublessee. CHI has requested a 60-year sublease term, which would require a corresponding 60-year lease term for DCF. Pursuant to section 18-2.018(3)(a)1., F.A.C., a lease shall not exceed a maximum term of 50 years unless the Board of Trustees determines that any lease term for more than 50 years is in the public interest. CHI is seeking tax credit funding for an 80-unit apartment building that requires a 50-year lease term. The additional 10 years is requested for fund raising, site preparation, and design and construction. DSL staff believes it is in the public interest to approve the additional 10-year term to insure that CHI has adequate time to build the facilities it needs to operate its shelter.

Pursuant to section 253.115, F.S., notification of the exchange was issued to land owners within 500 feet. No objections were received.

Both UM and the Board of Trustees will convey their respective lands without a reservation for phosphate, mineral, metal and petroleum interests as provided by section 253.62, F.S.

DEP has determined that surplus land actions are not subject to the local government planning process. The acquisition of the Keys Parcel is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan. The acquisition of the Glass Building is consistent with section 187.201(17), F.S., the Public Facilities section of the State Comprehensive Plan. The acquisition of the Dade Parcel is consistent with section 187.201(9), F.S., the Water Resources section of the State Comprehensive Plan.

(See Attachment 5, Pages 1-102)

RECOMMEND APPROVAL