

AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
OCTOBER 3, 2006

Item 1 City of Key West Deed Restriction Modification

REQUEST: Consideration of a request for a partial modification of a deed restriction on approximately 3 acres of submerged lands contained in Board of Trustees Deed Number 19259-A to the City of Key West.

COUNTY: Monroe

APPLICANT: City of Key West (City)

LOCATION: Section 33, Township 67 South, Range 25 East

STAFF REMARKS:

Site History

On April 11, 1947, the Board of Trustees conveyed approximately 92 acres of sovereignty submerged land, known as Garrison Bight (Bight), to the City. The Board of Trustees approved the sale, subject to a reversionary clause whereby the land would revert should it ever be used for other than public purposes; however, the public purpose clause was not included when Deed Number 19259 (original deed) was issued to the City.

A series of correspondence from July 1959 shows that the City became aware of the omission and notified the Director of the Trustees of the Internal Improvement Trust Fund that the City had previously leased portions of the Bight, and intended to lease another portion of the Bight to a private entity for a public marina. Attorney General R.W. Ervin opined that the City was bound to use the property for public purposes and suggested that the City Commission should retain the authority to revoke or terminate the lease in the event that any development should occur that was not in the public's interest.

At the October 8, 1963 Board of Trustees' meeting discussion of the proposed lease, the City inquired as to whether the public purpose restrictions on the Bight would hinder the State Road Department's construction of a causeway and bridge. Attorney General Ervin suggested amending the original deed to (1) include the public purpose clause, (2) add specific reference to the road construction and marina, and (3) require that the Board of Trustees review and approve the lease terms and design for the marina. DEP staff recommended that the Attorney General, rather than the Board of Trustees, approve the lease provisions which would ensure the public purpose requirement was met. This recommendation was approved by the Board of Trustees, and Attorney General Ervin subsequently granted approval of the lease on October 22, 1963.

On July 1, 1965, the Board of Trustees issued Corrective Deed Number 19259-A (corrective deed), which superseded the original deed and added the reversionary language on the 92 acres originally conveyed. Soon after, the City requested a release of the public purpose clause from

Item 1, cont.

a 0.446-acre portion of the 92 acres that was partially filled during construction of the causeway, but outside of the right-of-way. The request was approved by the Board of Trustees on August 10, 1965, and Deed Number 19259-B was issued upon the City's consideration payment of \$500.

On July 18, 1967, the City requested a release of the public purpose clause on an additional 2.41 acres that are adjacent to the 0.446-acre parcel, for the purpose of leasing the parcel to a tenant to fill and construct a dry storage for pleasure boats. The City submitted \$2,892 for consideration of the release. At the October 12, 1967 Board of Trustees meeting, the Board of Trustees denied the City's request and the consideration was returned.

Current Status

Since the late 1960s, several private docks have been constructed along the western shoreline of the Bight between the Palm Avenue Causeway and Roosevelt Boulevard without consideration of the public purpose clause in the corrective deed. Of the five existing docks within the three-acre parcel, two are private multi-slip docks that exceed the 40:1 ratio, one of which was erroneously issued a Department of Environmental Protection permit in 2005 for the installation of two new finger piers for two slips. Mr. Ed Swift, the owner of the parcel located at 719 Eisenhower Drive, applied to expand his existing dock, which was constructed sometime between 1991 and 1994 prior to his ownership, but the permitting process was halted when the deed restriction was discovered.

While the City is committed to maintaining public access to the water within the Bight, it is also interested in allowing existing structures to remain to provide additional docking facilities in the area. The continuing demand for docking facilities in and around the City remains a significant issue, which was clearly demonstrated when the City and DEP relocated the liveaboards in Houseboat Row to the Bight.

Until such time as the issue is addressed, no permits can be issued to reconfigure docks or repair dock facilities that may be damaged as a result of storms. Staff is recommending that the Board of Trustees grant the partial modification of the deed restriction on approximately 3 acres along the shoreline between the Palm Avenue Causeway and Roosevelt Boulevard. All existing structures within the 3-acre area will be allowed to remain, with any future expansion of a structure being subject to chapter 18-21, Florida Administrative Code. In addition, the City shall utilize all revenue generated through the leasing of the submerged land to fund the operation of water-related activities for the general public. This would allow the historic use to continue at those facilities that were constructed many years ago thereby maintaining the docking space currently available in the area, allowing modifications to the configuration of existing docks within the subject area and performance of necessary repairs in the case of storm damage, and finally, generating revenue that will fund activities for the general public.

Item 1, cont.

A consideration of the status of the local government comprehensive plan was not made for this item. The Department of Environmental Protection has determined that the proposed action is not subject to the local government planning process.

(See Attachment 1, Pages 1-25)

RECOMMEND APPROVAL

Item 2 TNC Assignment of Option Agreement/Survey Waiver/Brevard Coastal Scrub Ecosystem/Grissom Parkway Florida Forever Project

REQUEST: Consideration of (1) the acceptance of an assignment of option agreement to acquire 79.55 acres within the Brevard Coastal Scrub Ecosystem/Grissom Parkway Florida Forever project from The Nature Conservancy; and (2) the authority to waive the survey requirement.

COUNTY: Brevard

LOCATION: Section 34, Township 23 South, Range 35 East

CONSIDERATION: \$2,300,000

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY:</u>		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
		<u>Wagner (01/11/06)</u>	<u>Rex (01/11/06)</u>				
J & S Curb	79.55	\$2,230,000	\$2,390,000	\$2,390,000	\$ 106,700*	\$2,300,000** 96%	60 days after BOT approval

* Seller purchased property in 1986 for \$240,000. A non-arms length sale between related parties occurred in November 1999 for \$106,700.

** \$28,913 per acre

Noted Features of Subject Property:

- Total gross acreage is 79.55 acres with 59% uplands, rectangular in shape.
- Wetlands are concentrated in one area of the property around a small lake.
- The Comprehensive Land Use Plan is Residential and allows an overall density of 1 dwelling unit per 2.5 acres.
- Nearby growth has been significant in recent years. Surrounded by residential development.

STAFF REMARKS: The Brevard Coastal Scrub Ecosystem project 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 48,387 acres, of which 19,346 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, 28,961.45 acres, or 60 percent of the project, will remain to be acquired.

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Pursuant to a multi-party acquisition agreement entered into between the Department of Environmental Protection's (DEP) Division of State Lands and The Nature Conservancy (TNC), TNC has acquired an option to purchase this 79.55-acre parcel from J&S Curb/Concrete, Inc., and Donna N. Rodgers and Janson Davis, as co-personal representatives of the Estate of Herman Alfred Noland, a/k/a Herman A. Noland, a/k/a H.A. Noland, a/k/a Pete Noland. If the acquisition is approved, and the Board of Trustees accepts the assignment of the option, the Board of Trustees may exercise the option and purchase the property.

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

A title insurance policy, an environmental site evaluation, and if necessary, an environmental site assessment will be provided by the purchaser prior to closing. It is the opinion of DEP's Bureau of Survey and Mapping that the available boundary information is sufficient to reasonably protect the public's interest and any additional benefit derived from a survey is minimal relative to cost; therefore, a waiver of the requirement for a survey of the property is being requested pursuant to section 18-1.005, F.A.C.

The strip of coastal scrub that once paralleled the Indian River in Brevard County is now a set of small fragments surrounded by housing developments. Public acquisition of the Brevard Coastal Scrub Ecosystem project will preserve a few of the best fragments, thus helping to ensure the survival of the endangered scrub jay and scrub itself in the county, and providing areas where the public can learn about and appreciate this unique landscape.

The property will be managed by the Florida Fish and Wildlife Conservation Commission as a wildlife and environmental area with limited public use, including picnicking and environmental education.

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

(See Attachment 2, Pages 1-62)

RECOMMEND APPROVAL

Item 3 VCG Properties I, LLC Purchase Agreement/Survey Waiver/Florida Keys Ecosystem Florida Forever Project

REQUEST: Consideration of (1) a purchase agreement to acquire 0.69 acre within the Florida Keys Ecosystem Florida Forever project from VCG Properties I, LLC; and (2) the authority to waive the survey requirement.

COUNTY: Monroe

LOCATION: Section 07, Township 63 South, Range 38 East

CONSIDERATION: \$406,250

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Marr (07/21/05)	APPROVED <u>VALUE</u>	SELLER'S PURCHASE <u>PRICE</u>	TRUSTEES' PURCHASE <u>PRICE</u>	OPTION <u>DATE</u>
VCG	0.69	\$325,000	\$325,000	\$1,111,000*	\$406,250** (125%)	120 days after BOT Approval

* Property was purchased April 2, 2004, the entire purchase consisted of 11 parcels, the sellers are only selling 5 parcels.

** \$588,768 per acre, or \$81,250 per ROGO allocation (5 ROGO allocations)

Noted Features of Subject Property:
Value based on ROGO allocations.
Value is \$65,000 per ROGO allocation.

STAFF REMARKS: The Florida Keys Ecosystem project is an “A” group project on the Florida Forever Project List approved by the Board of Trustees on August 15, 2006. The project contains 11,854 acres, of which 5,175 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, and another Florida Keys Project agreement on today’s agenda, 6,672.77 acres, or 56 percent of the project, will remain to be acquired.

On February 16, 2005, the Board of Trustees delegated authority to the Secretary of the Department of Environmental Protection, or designee, to (1) extend offers and approve any contract for the sale and purchase of land pursuant to section 259.041(1), F.S., at \$7,000 over, or up to 125 percent, per parcel of the current appraised value, whichever is greater, when the purchase price per parcel does not exceed \$100,000; (2) recognize and appraise as Rate of Growth Ordinance parcels those parcels that previously qualified for Rate of Growth Ordinance designation; and (3) allow payments in lieu of litigation to settle claims by private landowners to lands that appear to be sovereignty lands, such payments not to exceed \$1,000 per parcel.

All mortgages and liens will be satisfied at the time of closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to Department of Environmental Protection (DEP) the authority to review and evaluate marketability issues as they arise on all

Item 3, cont.

chapter 259, F.S., acquisitions and to resolve them appropriately. Therefore, DEP staff will review, evaluate and implement an appropriate resolution for any title issues that arise prior to closing.

A title insurance policy and an environmental site evaluation will be provided by the purchaser prior to closing. It is the opinion of DEP's Bureau of Survey and Mapping that the available boundary information is sufficient to reasonably protect the public's interest and any additional benefit derived from a survey is minimal relative to cost; therefore, a waiver of the requirement for a survey of the property is being requested pursuant to section 18-1.005, F.A.C.

The unique pine rocklands and hardwood hammocks of the Florida Keys, forest of West Indian plants that shelter several extremely rare animals, are being lost to the rapid development of the islands. Public acquisition of the Florida Keys Ecosystem project will protect all the significant unprotected hardwood hammocks left in the Keys and many rare plants and animals, including the Lower Keys marsh rabbit and Key deer. It will also help protect the Outstanding Florida Waters of the Keys, the recreational and commercial fisheries, and the reefs around the islands, and give residents and visitors more areas for enjoying the natural beauty of the Keys.

This property will be managed by the City of Islamorada

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

(See Attachment 3, Pages 1-26)

RECOMMEND APPROVAL

**Substitute Item 4 Jansa Option Agreement/Survey Waiver/Florida Keys Ecosystem
Florida Forever Project**

REQUEST: Consideration of (1) an option agreement to acquire 5.54 acres within the Florida Keys Ecosystem Florida Forever project from Marianne H. Jansa; and (2) the authority to waive the survey requirement.

COUNTY: Monroe

LOCATION: Sections 15 and 22, Township 67 South, Range 27 East

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Substitute Item 4, cont.

CONSIDERATION: \$315,000

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Johnston (8/04/05)	APPROVED <u>VALUE</u>	SELLER'S PURCHASE <u>PRICE</u>	TRUSTEES' PURCHASE <u>PRICE</u>	OPTION <u>DATE</u>
Jansa	5.54	\$350,000	\$350,000	\$700*	\$315,000** (90%)	120 days after BOT Approval

* Property was purchased December 7, 1992 from a family member.

** \$56,859 per acre

Noted Features of Subject Property:

Residential Waterfront

Highest and best use is single family development.

STAFF REMARKS: The Florida Keys Ecosystem project is an "A" group project on the Florida Forever Project List approved by the Board of Trustees on August 15, 2006. The project contains 11,854 acres, of which 5,175 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, and another Florida Keys Project agreement on today's agenda, 6,672.77 acres, or 56 percent of the project, will remain to be acquired.

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

A title insurance policy and an environmental site evaluation will be provided by the purchaser prior to closing. It is the opinion of DEP's Bureau of Survey and Mapping that the available boundary information is sufficient to reasonably protect the public's interest and any additional benefit derived from a survey is minimal relative to cost; therefore, a waiver of the requirement for a survey of the property is being requested pursuant to section 18-1.005, F.A.C. All property being purchased under this agreement is above the mean high water line.

The unique pine rocklands and hardwood hammocks of the Florida Keys, forest of West Indian plants that shelter several extremely rare animals, are being lost to the rapid development of the islands. Public acquisition of the Florida Keys Ecosystem project will protect all the significant unprotected hardwood hammocks left in the Keys and many rare plants and animals, including the Lower Keys marsh rabbit and Key deer. It will also help protect the Outstanding Florida Waters of the Keys, the recreational and commercial fisheries, and the reefs around the islands, and give residents and visitors more areas for enjoying the natural beauty of the Keys.

Substitute Item 4, cont.

This property will be managed by Monroe County.

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

(See Attachment 4, Pages 1-37)

RECOMMEND APPROVAL

Item 5 TPL Option Agreement/Peacock Springs Division of Recreation and Parks' Additions and Inholdings Project

REQUEST: Consideration of an option agreement to acquire 481.7 acres within the Peacock Springs Division of Recreation and Parks' Additions and Inholdings project from The Trust for Public Land.

COUNTY: Suwannee

LOCATION: Section 17, Township 04 South, Range 12 East

CONSIDERATION: \$2,600,000

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
		<u>Candler (05/15/06)</u>	<u>Wright (05/15/06)</u>				
TPL	481.7	\$2,601,000	\$2,170,000	\$2,601,000	\$2,600,000*	\$2,600,000** (99.96%)	120 days after BOT approval

* Seller contracted to purchase the property in May 2006.

** \$5,398 per acre

NOTED FEATURES:

The neighborhood is rural with mostly agricultural uses, undeveloped land and widely scattered residential homes and mobile homes.

Zoning and Land Use is ESU-2, Environmentally Sensitive Areas. Residential development in this zoning district is permitted at a maximum density of one dwelling unit per ten acres.

The subject property contains 478.2 acres (99.3%) of uplands and 3.5 acres (0.7%) of jurisdictional wetlands. The wetlands located on the property are mostly associated with the two karst sinkholes which are part of the Peacock Springs cave system.

Access to the subject is provided along the southeast side of 189th Road, along the south side of 168th Street and the west side of 185th Road.

The value was analyzed on a price per gross acre which is typical for this type property.

Item 5, cont.

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

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

A title insurance policy and a survey will be provided by the purchaser prior to closing. An environmental site evaluation and, if necessary, an environmental site assessment will be provided by the seller prior to closing and buyer will reimburse the seller in an amount not to exceed \$5,000.

Peacock Springs, together with its associated cave system, has long been acknowledged as a nationally significant example of karst topography. The underwater cave system attracts visitors and divers not only from the local area, but also nationally and internationally. Protection of the springs and the groundwater resources that supply this cave system began in 1986 with the purchase of 277 acres that constitute Peacock Springs State Park. The subject property is known to contain a major portion of the underground cave system that connects directly with the Peacock Spring main cave system via underground fissures and passages. A number of cave passages have been mapped from the state park into the subject property, where several sinks and karst windows are located. Because of the near surface location of the karst system that feeds to the springs in the park, residential and/or some forms of agricultural use of the subject property would significantly increase the potential of contamination of the cave system. Additionally, the property is known to contain archaeological sites and may possibly be the location of a Spanish mission site known as San Juan I. Acquisition of the property will significantly enhance the state's long-term resource protection goals for the Peacock Spring system.

The property will be managed by DRP as an addition to Peacock Springs State Park.

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

(See Attachment 5, Pages 1-33)

RECOMMEND APPROVAL

Item 6 BOT/SJRWMD Acquisition from Land South Hunters, LLC/Joshua Creek Property/Econ - St. Johns Ecosystem Florida Forever Project

DEFERRED FROM THE SEPTEMBER 19, 2006 AGENDA

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.

PARCEL	ACRES	APPRAISED BY		APPROVED VALUE	SELLER'S PURCHASE PRICE	TRUSTEES' PURCHASE PRICE	CLOSING DATE
		Clayton (05/02/06)	Goodman (05/02/06)				
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.

Item 6, cont.

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.

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

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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.

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.

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

(See Attachment 3, Pages 1-101, as submitted with the September 19, 2006 agenda.)

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.