

**AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
OCTOBER 17, 2006**

Item 1 Minutes

Submittal of the Minutes from the August 1, 2006 and August 15, 2006 Cabinet Meetings.

(See Attachment 1, Pages 1-29)

RECOMMEND APPROVAL

Item 2 Annual Land Management Review Team Findings

REQUEST: Consideration of the Annual Land Management Review Team findings.

COUNTY: Statewide

STAFF REMARKS: Section 259.036, F.S., requires the Board of Trustees, acting through the Department of Environmental Protection (DEP), to conduct land management reviews of selected conservation, preservation and recreation lands titled in the Board of Trustees to determine whether those lands are being managed for the purposes for which they were acquired, and in accordance with their adopted management plans. The legislation requires DEP to submit a report of its findings to the Board of Trustees no later than the second board meeting in October of each year. The 2003 Florida Legislature amended chapter 259.036, F.S., to require that all lands that are subject to being reviewed that are over 1,000 acres be reviewed at least every five years. Properties reviewed were selected from a database of the Board of Trustees' lands, based on: size of the property; plan due-dates; managing agency; when previous land management reviews were conducted; and geographic location. Regional review team members were selected in accordance with the requirements of the legislation, to include representatives of the following: (1) the county or local community in which the parcel is located; (2) DEP's Division of Recreation and Parks (DRP); (3) the Department of Agriculture and Consumer Services' Division of Forestry (DOF); (4) the Florida Fish and Wildlife Conservation Commission (FWCC); (5) the DEP district office; (6) a private land manager; (7) the local Soil and Water Conservation District board of supervisors; and (8) a conservation organization. Participating state agencies, soil and water conservation districts, and conservation groups have had continual input into the development and ongoing evolution of the review process. Additionally, DEP coordinates with representatives of the Water Management Districts (WMD) to integrate management reviews where WMD lands are adjacent to Board of Trustees' lands, and when the Board of Trustees has joint ownership of parcels with a WMD.

Thirty-one reviews were conducted during the 2005-2006 fiscal year, involving more than 497,000 acres of managed lands. Four of the reviews that were scheduled in the fall of 2004 were cancelled due to hurricanes, were rescheduled, and were conducted in 2005. One site was reviewed without an approved management plan, but based on its acquisition purposes.

Item 2, cont.

Reports of the management review team findings were provided to the managing agency, to the Acquisition and Restoration Council, and made available on the DEP's Division of State Lands web site. Beginning this year, special effort was taken by DEP Secretary Colleen Castille to encourage the participating agencies and other groups to vary their representation. Thus, approximately one-third of this year's review teams' reports represent the findings of the predominantly new team members. An overview of the management review team findings follows:

- Public access was adequate on five sites (16 percent), and excellent on twenty-five (81 percent) of the sites the teams visited;
- On twelve sites (39 percent), over 30 percent of the fire dependent lands had been treated according to prescription. On thirteen sites (42 percent), over 60 percent of the fire-dependent lands had been treated according to prescription. Six sites (19 percent) have no fire-dependent communities;
- On five sites (16 percent), the teams found the burn frequency inadequate to preserve, restore, or maintain the natural communities. On twenty sites (65 percent), the team found fire quality to be excellent (each managing agency is responsible for prescribed burning the lands they manage). Six sites (19 percent) have no fire dependent natural communities;
- Control of non-native invasive plants was a management issue on most of the lands reviewed, and the team found control measures inadequate on two sites (6 percent), adequate on two sites (6 percent), and excellent on twenty-seven (87 percent) of the sites reviewed;
- Twenty-one sites (68 percent) had plans that adequately covered testing for degradation of surface waters, and twenty-six sites (84 percent) had adequate testing for groundwater;
- Twenty-one sites (68 percent) were found to be excellent, seven sites (23 percent) were adequate, and three sites (9 percent) were inadequate in actual management practices to protect listed plants and animals on site. For fifteen sites (48 percent), the teams found the management plans inadequate for on-site protection of listed plants and animals or inventories of listed plants and animals;
- On twenty-five sites (81 percent), law enforcement was adequate to excellent to protect the resources; and
- On twenty five sites (81 percent), the public education and outreach programs were found to be adequate to excellent.

The review teams observed many examples of management meriting special mention.

- At West Lake Park, a county-managed property in Broward County, the team commended the County for its excellent management of recreational uses at the site, outstanding facilities and interpretive programs, and outstanding efforts to establish diverse estuarine habitats at the park.

Item 2, cont.

- At Welaka State Forest in Putnam County, the review team commended the Division of Forestry for its dramatic improvement in the prescribed fire program in the past five years, for its protection of bald eagle nests on the forest, and for its restoration of the forest to improve habitat for wildlife.
- At Jones-Hungryland Wildlife and Environmental Area in Martin County, the review team commended FWCC for its aggressive and proactive invasive exotic plant control program, for the exemplary quality of prescribed burns that have taken place, for the cooperation with the County to provide passive recreational opportunities, and for developing recreational areas that allow public enjoyment without jeopardizing the exceptional quality of natural communities on the site.
- At Topsail Hill State Park in Walton County, DRP was commended by the review team for its efforts in educational outreach programs with the local community, and its participation with federal, state and university officials in on-going monitoring programs, including but not limited to the Choctawhatchee beach mouse monitoring program. DRP was also commended for its community involvement and participation in local growth management issues, environmental education and volunteerism.

Overall, the review teams found that the managers of these areas are dedicated professionals who are doing an excellent job with the resources available.

Many of the management problems noted in the findings may be directly related to the following:

- On fifteen sites (48 percent), the teams found that staffing levels were inadequate; on ten sites (32 percent), the staffing levels were adequate; and on six sites (19 percent), the staffing levels were excellent;
- On eleven sites (35 percent), the teams found that funding levels were adequate to properly manage resources; on twelve sites (39 percent), inadequate, and on eight sites (26 percent), excellent; and
- On three sites (10 percent), the team found the equipment inadequate to properly manage the property; twelve of the sites (39 percent) were adequately equipped, and sixteen sites (52 percent) were excellently equipped.

Pursuant to section 259.036, F.S., if the land management review team determines that reviewed lands are not being managed for the purposes for which they were acquired, or in compliance with the adopted land management plan, DEP shall provide the review findings to the Board of Trustees, and the managing agency must report to the Board of Trustees its reasons for managing the lands as it has. All 31 properties reviewed were found to be managed for the purpose for which they were acquired. Actual management practices, including public access, were found to be in compliance with the management plans or management prospectus at all the properties.

Item 2, cont.

The report of the annual review team findings is consistent with section 259.036, F.S., and with the Natural Systems and Recreation Lands section of the State Comprehensive Plan.

(Attachment for this item submitted as a separate bound document.)

RECOMMEND ACCEPTANCE

**Item 3 **Blackwater River Foundation, Inc. Option Agreement/DACS/DOF
Blackwater River State Forest Additions and Inholdings Project****

REQUEST: Consideration of an option agreement to acquire 77.6 acres within the Department of Agriculture and Consumer Services' Division of Forestry's Blackwater River State Forest Additions and Inholdings project from Blackwater River Foundation, Inc.

COUNTY: Santa Rosa

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

LOCATION: Section 36, Township 03 North, Range 27 West

CONSIDERATION: \$360,000

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Tallahassee Appraisal (06/26/06)	APPROVED <u>VALUE</u>	SELLER'S <u>PURCHASE</u> <u>PRICE</u>	TRUSTEES' <u>PURCHASE</u> <u>PRICE</u>	<u>OPTION</u> <u>DATE</u>
Blackwater Foundation	77.6	\$475,000	\$475,000	\$100*	\$360,000** (76%)	120 days after BOT Approval

* Regarded as a donation from Jelks Family Foundation in September 2005.

** \$4,639 per acre.

NOTED FEATURES:

77.6 acres = 63.5 uplands and 14.1 wetlands.

Access is via a 25-foot-wide strip along Indian Ford Road.

Zoning is Agricultural.

Land Use Classification is Agricultural.

Highest and Best Use - Future subdivision development with an interim use as silviculture.

Present Use - Unimproved.

STAFF REMARKS: This acquisition was negotiated by DOF under its Florida Forever Additions and Inholdings Program.

Item 3, cont.

All mortgages and liens will be satisfied at the time of closing. The property is encumbered by an outstanding oil, gas, and mineral reservation in favor of a third party. The appraiser considered this interest in its valuation of the property, and the future managing agency, DOF, can manage the property with this outstanding interest in place. Additional due diligence has determined that the surface right of entry has been barred by the Marketable Records Title Act. Therefore, Department of Environmental Protection staff will review, evaluate, and implement an appropriate resolution for any title issues that arise prior to closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately.

A title insurance policy, a survey, and an environmental site assessment of the property will be provided by DOF prior to closing.

This parcel is surrounded on three sides by the Blackwater River State Forest with Juniper Creek flowing through the east side of the property. This acquisition will improve the overall ability to manage the Blackwater River State Forest and will provide important protection for Juniper Creek. This acquisition also affords natural resource conservation and expanded outdoor recreational opportunities, such as hiking and horseback riding under the multiple-use management regime practiced by DOF.

The parcel will be managed by DOF as an addition to the Blackwater River State Forest.

This acquisition is consistent with section 187.201(22), F.S., the Agriculture section of the State Comprehensive Plan.

(See Attachment 3, Pages 1-18)

RECOMMEND APPROVAL

**Item 4 FCAA/Bervaldi/Watermolen Foundation, Inc./Bonefish Estate Trust Option
Agreements/Survey Waiver/ Florida Keys Ecosystem Florida Forever
Project**

REQUEST: Consideration of (1) four option agreements to acquire 27.14 acres within the Florida Keys Ecosystem Florida Forever project from Florida Keys Aqueduct Authority (FCAA), Frank V. Bervaldi et ux, James D. and Jane P. Watermolen Foundation, Inc., and Bonefish Estate Trust; and (2) the authority to waive the survey requirement on all four parcels.

Item 4, cont.

COUNTY: Monroe

LOCATION: Sections 27 & 28, Township 66 South, Range 28 East; Section 25, Township 66 South, Range 27 East; Section 13, Township 66 South, Range 28 East; and Section 5, Township 66 South, Range 33 East

CONSIDERATION: \$3,179,998.20

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Johnston (5/14/05)		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
FKA A	17.99		\$550,000	\$550,000	\$300,000 ¹	\$400,000 ² (72%)	120 days after BOT Approval
<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Johnston (8/04/05)		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
Bervaldi	2.93		\$350,000	\$350,000	\$8,500 ³	\$314,998.20 ⁴ (90%)	120 days after BOT Approval
<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Johnson (08/30/05)	Catlett (09/26/05)	<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
Watermolen	4.29	\$1,250,000	\$1,150,000	\$1,250,000	\$241,700 ⁵	\$1,125,000 ⁶ (90%)	120 days after BOT approval
<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Benson (08/21/05)	Catlett (08/18/05)	<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
Bonefish	1.93	\$1,700,000	\$2,000,000	\$2,000,000	\$1,640,000 ⁷	\$1,700,000 ⁸ (85%)	120 days after BOT approval
Total	27.14			\$4,150,000		\$3,179,998.20	

¹ Property was purchased August 22, 2002.

² \$22,234 per acre.

³ Property was purchased April 20, 1968.

⁴ \$107,508 per acre.

⁵ The property was placed in the name of the Foundation on January 27, 2003. The property was purchased in two separate transactions which were two parcels in 1997 and two parcels in 2000.

⁶ \$262,238 per acre.

⁷ Seller purchased the property July 9, 2003 as part of an exchange. The seller exchanged some land in the Bahamas valued at \$1,500,000 plus \$140,000 cash for the Keys properties. The property was added to the Florida Forever list February 15, 2005.

⁸ \$880,829 per acre.

Noted Features of FKA A Property:

Highest and best use is development with commercial uses.

Noted Features of Bervaldi Property:

Residential Waterfront.

Highest and best use is single family development.

Item 4, cont.

Noted Features of Watermolen Property:

Canal front.

Highest and best use is residential development.

Noted Features of Bonefish Property:

Ocean front Estate Home Site.

Highest and best use is residential 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 5,181 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves these agreements and another Florida Keys Project agreement on today's agenda, 6,597.99 acres, or 55 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 on each of the four parcels.

A title insurance policy and environmental site evaluation will be provided by the purchaser prior to closing for each of the four parcels. 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.

Any part of the parcels below the mean high water line are not part of the value or the consideration, but will be part of the vesting deed.

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.

The FKAA property will be managed by the U.S. Fish and Wildlife Service as an addition to the National Key Deer Refuge. The Bernaldi and Watermolen properties will be managed by Monroe County. The Bonefish property will be managed by the City of Marathon.

Item 4, cont.

All four of these acquisitions are consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 4, Pages 1-119)

RECOMMEND APPROVAL

**Item 5 FSU Board of Trustees/Biomass Gas and Electric, LLC Sublease/
Determination/Competitive Bid Waiver/DOA**

REQUEST: Consideration of (1) a sublease between the Florida State University Board of Trustees and Biomass Gas and Electric, LLC, on up to 21 acres, more or less, for construction and operation of an alternative energy facility and for education and research of alternative energy; (2) a determination that, pursuant to section 18-2.018(1)(a), F.A.C., the proposed sublease is not contrary to the public interest; (3) request to waive the competitive bid requirements of section 18-2.018(2)(i), F.A.C., as the proposed sublease is in the public interest; and (4) delegation of authority to the Secretary of the Department of Environmental Protection, or designee, to approve any non-substantive changes to the proposed sublease.

COUNTY: Leon

APPLICANT: Florida State University Board of Trustees (FSU)

LOCATION: Section 03, Township 01 South, Range 01 West

CONSIDERATION: BG&E is required to (1) obtain legal access to the property, in the form of a non-exclusive, perpetual ingress, egress, and utility easement, in the name of the Board of Trustees within one year of the date of execution of the sublease; and (2) remit to the Board of Trustees an annual sublease fee of \$100,000, pro-rated based on the actual acreage utilized for the plant to be determined by an acceptable survey, beginning upon operation of the plant or on June 1, 2010, whichever occurs first.

STAFF REMARKS: FSU has submitted a request to the Board of Trustees to sublease a parcel of up to 21 acres of land on Roberts Avenue in Leon County to Biomass Gas and Electric, LLC (BG&E), a for-profit corporation, for construction and operation of up to two 35 megawatt biomass units. Also, BG&E is negotiating with FSU to conduct research activities relating to alternative energy.

Item 5, cont.

The parcel is within the boundaries of Board of Trustees' Lease No. 2736 with FSU and is located within the City of Tallahassee's (City) limits. The parcel was originally a part of approximately 700 acres acquired by FSU and used as a dairy farm for the university (then, the Florida State College for Women). The dairy farm was discontinued after World War II, and was subsequently dedicated to campus expansion in areas of academic programs, research, graduate student housing, and recreational purposes. The Board of Trustees acquired the parcel on August 31, 1970 by virtue of section 253.03, F.S., as amended by chapters 67-269 and 67-2236, F.S. Section 253.03(6), F.S., states, "...commencing September 1, 1967, all land held in the name of the state or any of its boards, departments, agencies, or commissions shall be deemed to be vested in the Board of Trustees of the Internal Improvement Trust Fund for the use and benefit by the state." The parcel has been left unused due to its location between two railroad tracks and its inaccessibility from the rest of the campus.

The land is designated as Mixed Use B on the Future Land Use Map, and is zoned as M-1. The proposed plant is best categorized as heavy infrastructure land use, which is a permitted use in an M-1 zoning district. There is no legal access to the parcel, and BG&E will be negotiating with CSX to obtain access. There would be a condition in the sublease requiring BG&E to obtain legal access, at its own expense, in the name of the Board of Trustees. Also, the parcel is adjacent to the CSX mainline and CSX "B" yard, and the plant could be serviced by the yard crew or one of four local trains that work out of the yard. The parcel is not included in FSU's Master Plan since it is not suitable, in its present state, for student activities.

BG&E asserts that they conducted a search of possible alternative sites located outside of the Southern Strategy Area, and there were only two viable sites. The Tallahassee-Leon County Comprehensive Plan (Comp Plan) Goal 11 states "The goal of the Southern Strategy Area is to encourage quality land development and redevelopment which results in increased population growth toward the southern part of the Tallahassee urban area, to retain and increase employment opportunities, and to attain an income mix in the Southern Strategy Area that is comparable to the remainder of the urbanized County."

The alternative sites researched were the Hopkins Power Plant site and the substation at 1968 North Mission Road, south of Interstate 10. The Hopkins site is constrained, due to existing transmission lines and the need for future expansion by the City of the existing plant. Additionally, the Mission Road site is far too small, containing less than five acres, and it is zoned RM-1, Multifamily. Therefore, the proposed site off Roberts Avenue appears to be the only feasible site for the proposed Plant.

The proposed plant consists of one 35 megawatt facility, with an option to build another 35 megawatt addition, based on the future energy needs of the City. A very broad definition of "biomass" is "biological material of an organic nature which has mass." BG&E defines "biomass" in the context of the materials that are acceptable for fuel. BG&E plans on utilizing

Item 5, cont.

only solid, non-hazardous, cellulosic waste material from forest-related resources, solid wood waste materials, and agricultural resources. Examples are: mill residues, pre-commercial thinnings, slash and brush, (excluding old-growth timber other than old-growth timber which has been permitted or contracted for removal by any appropriate federal governmental authority through the National Environmental Policy Act or by an appropriate State of Florida governmental authority), waste pallets, crates, dunnage, manufacturing and construction wood wastes, storm deadfall, orchard tree crops, vineyards, and non-invasive materials grown specifically for conversion to energy. CCA treated and/or painted woods will not be accepted as they do not work with the gasification process. The wood waste will be screened and the size will be reduced by chipping, which will occur off site. Nails, glass, and metal will be removed for landfill disposal.

The City will purchase the power produced by the two proposed 35 megawatt biomass projects at \$.062 per kilowatt hour under a 20-year term fuel contract with the rate tied to the Consumer Price Index. This fuel contract would result in long-term rate stability in energy costs. Additionally, the City would have the option to increase the size of the facility or for gas or thermal needs dependent upon the needs of the City. After the tenth anniversary of commercial operation, the City would have the option to purchase the plant at the fair "market price". The "market price" will be determined by an independent accounting firm assessing the value based upon the projects' remaining useful life and future cash flows. Any renewable energy credits, green tags, emission allowances or emission credits generated by the plant would be split 50/50 by and between the City and BG&E. On June 28, 2006, the City Commission granted conceptual approval for the proposed renewable energy project to supply part of the projected growth need for the City. The Commission also unanimously authorized the City Manager to go forward with contract negotiations on a proposed 30-year Power Purchase Agreement, and to bring the issue back for final approval.

The sublease between FSU and BG&E will include several special conditions, as follows: (1) BG&E will be required to post a bond covering the cost of removal of all constructed facilities and equipment from the site as well as restoring the site to its original condition; (2) FSU will benefit by cost avoidance for services FSU receives from the City; (3) BG&E will be required to obtain all necessary permits; (4) BG&E will be encouraged to use Florida resources for its plant; (5) BG&E will be prohibited from using any municipal solid waste, except vegetative debris, clean construction and demolition debris, and dunnage (dunnage is defined as: "organic loose packing material used to protect goods in packaging from moisture, contamination, and mechanical damage."); (6) BG&E will be allowed to maintain up to a 21-day supply of feedstock in a contained warehouse to minimize exposure; (7) BG&E will be required to obtain legal access to the sublease area, at its expense, in the form of a non-exclusive, perpetual ingress, egress, and utility easement, within one year of the date of execution of the sublease, and said access will be in the name of the Board of Trustees. In the event it requires more than one year to obtain the required access, the deadline may be extended upon mutual agreement by BG&E and the Board of Trustees under the requested

Item 5, cont.

delegation of authority; and (8) BG&E to submit an acceptable survey of the sublease area. Non-compliance with any of these special conditions will result in the sublease becoming null and void.

The proposed plant in Tallahassee would contain an advanced gasifier and a gas turbine in a combined cycle format. There will also be a covered feedstock storage area on the property. BG&E has not submitted any permit applications for the proposed plant to the Department of Environmental Protection's Division of Air Resource Management and Division of Waste Management.

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. The proposed plant would be a viable tool to implement and further Florida's Energy Plan goals and policies. The plant would benefit the City by providing alternative energy sources to its utility which, in turn, provides energy to the City's utility customers, which would include state agencies located at Innovation Park and the National High Magnetic Field Laboratory. Additionally, it could benefit FSU's research on the use of hydrogen as an alternative separate energy source.

Pursuant to section 18-2.018(2)(i), F.A.C., equitable compensation shall be required when the use of uplands will limit or preempt use by the general public. The Board of Trustees shall award authorization for such uses on the basis of competitive bidding rather than negotiation, unless otherwise provided herein or determined by the Board of Trustees to be in the public interest pursuant to the results of an evaluation of the impacts, both direct and indirect, which may occur as a result of the proposed use. Relevant factors to be considered in the evaluation shall include those specified in section 18-2.018(1), F.A.C. The proposal from BG&E for the Tallahassee plant is the first of its kind, and could be considered a pioneer in energy conservation for the State of Florida. Although there are other companies with biomass technologies, this plant proposes to be the first with advanced biomass gasification technology, other than a demonstration plant underwritten by the U. S. Office of Energy. The demonstration plant was managed by the current chief executive officer of BG&E.

Along with the proposed plant, the establishment of a research center to continue to study improved technology of biomass generation and other alternative energy sources, such as hydrogen, should prove beneficial in formulating improved technologies for cleaner, less expensive energy sources. BG&E is negotiating to participate with FSU in hydrogen research and in the establishment of the International Hydrogen Research Center, similar to the National High Magnetic Lab. The increased economic activity generated should boost the local economy. The proposed plant would provide over 100 construction jobs over the construction cycle, and would provide long-term employment for a plant staff of approximately 20 employees. Additionally, it would provide the first energy plant of its type establishing a public/private partnership to serve the citizens of Tallahassee and promote research.

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Policy 11.4.1 of the comprehensive plan states, "Where environmentally, economically and geographically practical, heavy infrastructure uses such as wastewater treatment plants, airports, correctional facilities and power plants which serve larger than neighborhood areas, shall be located in areas outside of the Southern Strategy Area. This policy does not apply to public facilities such as schools, parks, greenways, trails, and other recreational uses that would enhance the desirability of residing in the Southern Strategy Area." This proposed plant would have to meet this criteria of the Tallahassee-Leon County Comprehensive Plan.

(See Attachment 5, Pages 1-20)

RECOMMEND APPROVAL

Additional Item 6 **Mitchell Purchase Agreement/Authorization/Florida Keys Ecosystem
Florida Forever Project**

REQUEST: Consideration of (1) a purchase agreement to acquire 24.35 surveyed acres within the Florida Keys Ecosystem Florida Forever project from Paul J. Mitchell, individually and as successor trustee of the Margarita Lacedonia Mitchell Declaration of Trust dated August 31, 2001; and (2) authorization to add Parcels 9, 12459, 9930, and 9931 to the purchase agreement if the title issues are resolved prior to closing, with no additional consideration.

COUNTY: Monroe

LOCATION: Section 19, Township 65 South, Range 34 East; Section 03, Township 67 South, Range 29 East; Section 1, Township 67 South, Range 29 East; Section 27, Township 66 South, Range 28 East

CONSIDERATION: \$7,000,000

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED</u>	<u>SELLER'S</u>	<u>TRUSTEES'</u>	<u>OPTION</u>
		<u>Magenheimer</u>	<u>Marr</u>	<u>VALUE</u>	<u>PURCHASE</u>	<u>PURCHASE</u>	<u>DATE</u>
		<u>(04/20/06)</u>	<u>(04/20/06)</u>		<u>PRICE</u>	<u>PRICE</u>	
Mitchell	24.35	\$9,442,000	\$9,416,000	\$9,442,000	\$521*	\$7,000,000** (74%)	January 31, 2007

* Property was purchased in various stages involving a land exchange on August 22, 1957, and two purchases in October and December of 1968.

**\$287,474 per acre.

Noted Features of Subject Properties:

Highest and best use for the Grassy Key parcel is waterfront home sites and other housing.
The property has 8 vested dwelling units.

Additional Item 6, cont.

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 Florida Keys Ecosystem project contains 11,854 acres, of which 5,181 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement and four other Florida Keys Project agreements on today’s agenda, 6,621.28 acres, or 56 percent of the project, will remain to be acquired.

In addition to the Parcel 10 (24.35 acres), Mr. Mitchell owns Parcel 9 (9.81 acres), which is adjacent to Parcel 10, and Parcel 12459 (0.68 acre), in the Summerland Key area within the Florida Keys Ecosystem project. He also owns Parcel 9930 (0.76 acre), which is the south half of Dogtooth Island, and Parcel 9931 (approximately 30 acres), an area of submerged lands, both within the Coupon Bight/Key Deer project. Department of Environmental Protection (DEP)’s Division of State Lands (DSL) staff attempted to purchase all of these parcels, along with Parcel 10, for a total of approximately 65.6 acres; however, it has been determined that some title issues may exist on these additional four parcels, and that they may have to be probated. Since there are strict timelines for acquiring and closing on Parcel 10, all parties agreed to delete the four parcels with title problems from the contract, and proceed to purchase only Parcel 10 (24.35 acres). If the title issues on the four additional parcels can be resolved prior to closing on Parcel 10, DSL staff requests authorization to amend the contract to add the four parcels with no additional consideration. If the title issues cannot be resolved prior to closing on Parcel 10, but can be resolved at a future date, then Mr. Mitchell is agreeable to donate to the Board of Trustees the remaining four parcels (Parcels 9, 12459, 9930, and 9931), which total approximately 41.25 acres.

Brief description of the donation parcels:

- **Parcel 9** is adjacent to Parcel 10. Parcel 9 is 9.81 acres. It consists of mostly scrub mangrove and fringing mangrove. There is one billboard along US 1, of which the owner will retain ownership. Parcel 9 includes 1.28 acres of disturbed land. DEP’s Division of Recreation and Parks has agreed to manage this parcel less the billboard. The appraised values for this property are \$98,000 and \$59,000.
- **Parcel 12459** is a small island off Summerland Key of approximately 0.68 acre of saltmarsh and buttonwood. The U.S. Fish and Wildlife Service has agreed to manage this parcel. The appraised values for this property are \$12,240 and \$20,000.
- **Parcel 9930** is 0.76 acre consisting of beach berm and fringing and scrub mangrove. The U.S. Fish and Wildlife Service has agreed to manage this parcel. The appraised values for this property are \$11,400 and \$15,000.

Additional Item 6, cont.

- **Parcel 9931** is submerged land deeded by the State of Florida in 1969 to Mr. Mitchell's mother, Margarita L. Mitchell, as part of an exchange. The parcel was subsequently inherited by Mr. Mitchell. The State retained oil, gas and mineral rights on this property. This property will not have a manager, since it is submerged. This property was not valued, since it was below the mean high water line.

All mortgages and liens will be satisfied at the time of closing. There are seven existing structures and eight existing dwelling units on the property. The seven structures consist of four mobile homes, one wood-frame single family dwelling, one concrete block duplex (two dwelling units), and one concrete block shed, considered by Monroe County as an existing dwelling unit. One of the mobile homes is owned by the tenant, and will be removed from the property prior to closing. The other tenants will vacate the property prior to closing. The managing agency is willing to manage the property with the existing dwelling units, as this will provide housing to local staff personnel.

There is a non-exclusive right-of-way easement in favor of the Florida Keys Electric Cooperative. There are two existing billboards along US 1, of which the owner will retain ownership.

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, survey, and environmental site evaluation will be provided by the purchaser prior to closing.

The proposed acquisition's surveyed boundary includes submerged land; however, no value was assigned to the submerged land included with Parcel 10. Therefore, the state will not be purchasing for consideration any submerged land in this proposed acquisition; however, the submerged acreage will be included in the legal description of the vesting deed.

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.

Additional Item 6, cont.

Parcel 10 on Grassy Key will be managed by DEP's Division of Recreation and Parks.

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 6, Pages 1-42)

RECOMMEND APPROVAL