

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

Representing:

DIVISION OF BOND FINANCE

FINANCIAL SERVICES COMMISSION, OFFICE OF
INSURANCE REGULATION

DEPARTMENT OF REVENUE

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND

STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Crist
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Tuesday, October
16, 2007, commencing at 9:10 a.m.

Reported by:
JO LANGSTON
Registered Professional Reporter
Notary Public

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APPEARANCES:

Representing the Florida Cabinet:

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CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer

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P R O C E E D I N G S

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(Agenda items commenced at 9:25 a.m.)

GOVERNOR CRIST: This morning we have a list before us of former parole commissioners to be approved for temporary duty. Florida law authorizes the Parole Commission to assign temporary duty to former commissioners when there is a workload need or a commissioner is absent. Is there a motion to approve the list of former commissioners?

ATTORNEY GENERAL McCOLLUM: I so move.

GOVERNOR CRIST: Is there a second?

CFO SINK: Second.

GOVERNOR CRIST: Moved and seconded. Show it approved without objection.

16 Our next Cabinet meeting will be Wednesday,
17 November the 14th, 2007.

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1 GOVERNOR CRIST: Bond Finance. Ben, good morning.
2 Ben Watkins.

3 MR. WATKINS: Good morning, Governor, Cabinet
4 members. Item Number 1 is approval of the minutes of
5 the October 2nd meeting.

6 GOVERNOR CRIST: Is there a motion?

7 COMMISSIONER BRONSON: Motion on Item 1.

8 ATTORNEY GENERAL McCOLLUM: Second.

9 GOVERNOR CRIST: Moved and seconded. Show the
10 minutes approved without objection.

11 MR. WATKINS: Item Number 2 is a resolution
12 authorizing the negotiated sale of 100 million of
13 Environmental Everglades Restoration Revenue Bonds.
14 The bonds are being issued to fund a portion of the
15 State's \$800 million contribution to the Comprehensive
16 Everglades Restoration Program. This is the second
17 \$100 million installment for that authorization.

18 The bonds will be issued as variable rate
19 instruments, which means the interest rate will be
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20 reset on a weekly basis.

21 GOVERNOR CRIST: Is there a motion on Item 2?

22 CFO SINK: Move it.

23 ATTORNEY GENERAL McCOLLUM: Second.

24 GOVERNOR CRIST: Moved and seconded. Show it
25 approved without objection. Good news from Washington

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1 on this front, too, recently, where they -- as I
2 understand it -- General, you would understand that
3 process better than any of us, I think. They have
4 approved in an appropriation bill significant dollars
5 for the Everglades Restoration Project, I understand
6 about \$2 billion, which is great news, so we hope that
7 that gets through. Ben, Item 3.

8 MR. WATKINS: Item 3 is a report of award on the
9 competitive sale of \$20,770,000 in Parking Facility
10 Revenue Bonds. The bonds were awarded to the low
11 bidder at a true interest cost of approximately 4.25
12 percent, and the proceeds are being used to construct a
13 parking garage at the University of Florida.

14 COMMISSIONER BRONSON: Motion on Item 3.

15 CFO SINK: Second.

16 GOVERNOR CRIST: Moved and seconded. Show it
17 approved without objection. Thank you, Ben.

18 MR. WATKINS: Thank you.

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1 GOVERNOR CRIST: Office of Financial Services,
2 Insurance Regulation, Commissioner Kevin McCarty. Good
3 morning, Commissioner.

4 MR. McCARTY: Good morning, Governor, members of
5 the Commission. Agenda Item Number 1 is approval of
6 the Workers' Comp Joint Underwriting Association Board
7 of Governors. The Legislature in 2007 amended
8 Florida's law governing the structure of the Workers'
9 Comp Joint Underwriting Association. They did that
10 principally so that they could achieve tax-exempt
11 status.

12 The board appointment process would require the
13 Financial Services Commission to appoint eight of the
14 nine members of the board. The ninth member is by
15 virtue of their office, which is the Consumer
16 Advocate's Office.

17 The revised board structure consists of five
18 insurance industry representatives chosen from a list
19 of nominees submitted by the insurance industry. Two
20 of those companies would be Florida domiciliary
21 companies, two foreign companies and one agent
22 appointment.

23 And the following slate of persons has been
24 presented to you for your consideration today. They
25 would include Claude Revels from J.M. Family, Rick

1 Hodges from Summit Consulting, Beth Vecchioli from
2 Carlton Fields, James Ward from The Hartford Insurance
3 Company, Fred Bennett from Lykes Brothers, Inc., Dan
4 Dannenhauer from Five County Insurance Agency, the
5 Honorable Charlie Clary, former state senator from
6 Destin and founder of DAG Architects, and Brett Stiegel
7 from the Florida Roofers' Association Self-Insurance
8 Fund.

9 ATTORNEY GENERAL McCOLLUM: Governor, I would move
10 that we adopt this list and that we name Senator Clary
11 to be chairman of the commission.

12 GOVERNOR CRIST: Thank you. Is there a second?

13 COMMISSIONER BRONSON: Second.

14 GOVERNOR CRIST: Moved and seconded. Show it
15 approved without objection.

16 MR. McCARTY: Thank you, Governor, members of the
17 Commission.

18 GOVERNOR CRIST: Thank you very much,
19 Commissioner.

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1 GOVERNOR CRIST: Department of Revenue, Lisa

2 Echeverri. Good morning.
3 MS. ECHEVERRI: Good morning.
4 GOVERNOR CRIST: How are you?
5 MS. ECHEVERRI: I'm good.
6 GOVERNOR CRIST: Good. Getting a lot of revenue
7 for us?
8 MS. ECHEVERRI: Trying. Evidently, Jim saved up
9 the agenda items until he left, because we have seven
10 agenda items this morning.
11 GOVERNOR CRIST: Lucky number seven.
12 MS. ECHEVERRI: It is my lucky number. Item 1 are
13 the minutes from the October 2nd meeting.
14 GOVERNOR CRIST: Is there a motion on the minutes?
15 COMMISSIONER BRONSON: Motion.
16 ATTORNEY GENERAL McCOLLUM: Second.
17 GOVERNOR CRIST: Moved and seconded. Show the
18 minutes approved without objection.
19 MS. ECHEVERRI: Item 2 is the Department's
20 performance contract for 2007 through 2008. While we
21 exceeded performance in most of the areas from our
22 previous contract, I did want to point out a couple of
23 areas where we were below performance and where we have
24 an opportunity for improvement.
25 In the area of child support, we missed a couple

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1 of our measures by just a slight amount because we had
2 increased caseload that we had not anticipated of about
3 five percent.

4 In the area of general tax administration, we
5 actually -- even though the number doesn't look like

6 it, we fell below on percent of cases resolved within
7 90 days at 58 percent. Our previous year's actual was
8 76 percent. But this was actually caused by an effort
9 to focus on backlog cases.

10 So while numerous cases were moved out in 90 days,
11 we did focus on some of the older cases, and that
12 impacted the measure.

13 And then finally in property tax administration,
14 the percent of classes and subclasses studied for
15 in-depth counties found to have a level of assessment
16 of at least 90 percent. That measure is actually a
17 measure of how well the property tax system and
18 property appraisers are performing. And the
19 significant changes in the market this year made it
20 more difficult for them to do their jobs. So that's
21 why you see that measure not quite where it's been in
22 previous years.

23 So we request approval on the Department's
24 performance contract.

25 GOVERNOR CRIST: Any questions?

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1 ATTORNEY GENERAL McCOLLUM: So move it.

2 GOVERNOR CRIST: Moved.

3 COMMISSIONER BRONSON: Second.

4 GOVERNOR CRIST: Moved and seconded. Show it
5 approved without objection.

6 MS. ECHEVERRI: Item 3 is our legislative budget
7 request. This request represents a 1.3 percent
8 increase in total recurring funds for the Department.

9 There are several areas in this legislative budget
10 request related to technology.

11 We are seeking the second year of funding for CAMS
12 Phase II of our child support automation project. That
13 is all federal funds. We are seeking two enhancements
14 in the general tax area to improve collections and to
15 improve document -- our document storage system. And
16 we're also seeking some technology improvements in the
17 property tax area.

18 As you know, there has been a significant focus on
19 the data that the Department of Revenue houses and our
20 ability to produce reports; in addition to that, the
21 increased emphasis on our oversight on millage levying
22 and voting procedures.

23 There are also several requests related to the
24 Federal Deficit Reduction Act, in child support, to
25 replace funding where the federal government has pulled

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1 back some funding from that program.

2 So we request approval for the legislative budget
3 request.

4 GOVERNOR CRIST: Is there a motion to approve the
5 request?

6 COMMISSIONER BRONSON: Motion for approval.

7 ATTORNEY GENERAL McCOLLUM: Second.

8 GOVERNOR CRIST: Moved and seconded. Show it
9 approved. Florida law, however, as it relates to me,
10 requires the governor to independently submit budget
11 proposals. Accordingly, I am abstaining from the vote
12 on this item. Therefore, the record should reflect

13 that this item is approved with one abstention.

14 MS. ECHEVERRI: Thank you. Item 4 are the
15 Department's 2008 legislative concepts. These concepts
16 represent ideas in a number of areas. First and
17 foremost, to reward employees for performance, we're
18 seeking increased levels to allow us to take money from
19 our own budget -- it doesn't require additional
20 funds -- but to reward employees with cash awards for
21 improved performance. Improve child support
22 administration, reduce the burden on taxpayers through
23 a number of issues, improve efficiency, improve
24 administration and improve enforcement.

25 It's usually this latter category that receives

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1 the most notice when we go to the Legislature. We try
2 to work very closely with industry to ensure that when
3 we are improving our enforcement tools, we are not
4 impacting taxpayers who are trying to get it right.

5 We request approval for the Department's 2008
6 legislative concepts.

7 COMMISSIONER BRONSON: Motion on Item 4.

8 CFO SINK: Second.

9 GOVERNOR CRIST: Moved and seconded. Show it
10 approved without objection. Item 5.

11 MS. ECHEVERRI: Item 5 is the Department's
12 long-range program plan. The plan reflects goals for
13 increased performance over the next five years as we
14 continue to innovate and improve our services. We
15 request approval for the long-range program plan.

16 GOVERNOR CRIST: Is there a motion on Item 5?

17 CFO SINK: Move it.

18 COMMISSIONER BRONSON: Second.

19 GOVERNOR CRIST: Moved and seconded. Show it
20 approved without objection. You're doing great, Lisa.

21 MS. ECHEVERRI: It's a long one. Item 6 is our
22 capital improvement plan. The Department is requesting
23 no fixed capital outlay funding. The plan does support
24 our legislative budget request for normal price
25 increases through our leasing.

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1 You may remember that in 2006 the Legislature
2 approved funding for the Department to actually move
3 into buildings out at Southwood. That construction has
4 been delayed a little bit. It's looking more like it's
5 in the 2009 to 2010 time frame. But when we do
6 consolidate our facilities and move into those
7 buildings, we will have lease savings in the amount of
8 approximately \$679,000 a year.

9 ATTORNEY GENERAL McCOLLUM: Move Item 6.

10 COMMISSIONER BRONSON: Second.

11 GOVERNOR CRIST: Moved and seconded. Show it
12 approved without objection.

13 MS. ECHEVERRI: And finally Item 7 is request for
14 approval for changes to Rule 12D-8.0063 of the Florida
15 Administrative Code. This rule is reflecting 2007
16 changes to provisions that allowed citizens who are
17 impacted by the 2004 hurricanes to maintain their Save
18 Our Homes assessments and treatment on those damaged
19 portions of their homes.

20 Previously they had to complete construction
21 before January 1, 2008. The Legislature has extended
22 that to allow that treatment as long as they have
23 started construction by January 1, 2008.

24 COMMISSIONER BRONSON: Can I ask a question?

25 GOVERNOR CRIST: Please, Commissioner, of course.

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1 COMMISSIONER BRONSON: And I understand -- and I
2 do understand that the Legislature took a look at this.
3 Does that presume, then, that everyone who is going to
4 participate in this will be able to factually get their
5 homes and other structures started by contractors?

6 Of course, now that the housing boom has dropped
7 off like a ton of bricks, maybe there are going to be
8 some people out there that can actually repair homes.
9 You know, there for a long time we couldn't get anybody
10 to repair a home because there was so much building of
11 new construction. But that does presume that all of
12 this will take place.

13 MS. ECHEVERRI: That has been a significant
14 concern. Citizens were having trouble just lining up
15 people to do the work. What we have done is a pretty
16 liberal construction of this to allow commencement or
17 the start to include just receiving the permitting for
18 the construction.

19 COMMISSIONER BRONSON: Well, Governor, the reason
20 why I'm bringing this up, occasionally, when I fly from
21 here to wherever I need to meet with organizations and
22 groups and things going on concerning agriculture and

23 consumers, I still see blue tarps on roofs.

24 And that tells me that all of those repairs may
25 not be -- and I hope you're right. I hope that there

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1 will be some consideration for those who cannot get
2 their work done in time. But that's the reason why I
3 brought that up.

4 GOVERNOR CRIST: Thank you, Commissioner.
5 Appreciate it.

6 MS. ECHEVERRI: Thank you.

7 GOVERNOR CRIST: Where are we?

8 ATTORNEY GENERAL McCOLLUM: Need to approve now, I
9 think.

10 GOVERNOR CRIST: We need to approve it. Do we
11 have a motion?

12 ATTORNEY GENERAL McCOLLUM: I move it.

13 COMMISSIONER BRONSON: Second.

14 GOVERNOR CRIST: Any objection? Show it approved
15 without objection. Lisa, thanks.

16 MS. ECHEVERRI: Thank you very much.

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1 GOVERNOR CRIST: Board of Trustees. Bob Ballard.

2 How are you?

3 MR. BALLARD: Good morning, Governor.

4 GOVERNOR CRIST: Good morning, sir.

5 MR. BALLARD: Good morning, members of the
6 Cabinet. I'm standing in for Secretary Mike Sole, who
7 is in Washington today. Item 1 is consideration of a
8 purchase agreement to acquire 5.47 acres within the
9 North Key Largo Hammocks Florida Forever Project in
10 Monroe County and the authority to waive the survey
11 requirement. Purchase price is \$1,069,300, or 90
12 percent of approved value.

13 And the property will be managed by the United
14 States Fish and Wildlife Service as an addition to the
15 Crocodile Lake National Wildlife Refuge.

16 ATTORNEY GENERAL McCOLLUM: I would move Item 1.

17 GOVERNOR CRIST: Is there a second?

18 COMMISSIONER BRONSON: Second.

19 GOVERNOR CRIST: Moved and seconded. Show it
20 approved without objection.

21 MR. BALLARD: Item 2, consideration of an option
22 agreement to acquire 42.22 acres within the Florida
23 Keys Ecosystem Florida Forever Project in Monroe
24 County, purchase price \$566,100, or 90 percent of
25 approved value. This property will be managed by

1 Monroe County Land Authority for conservation and

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2 possible passive recreation.

3 GOVERNOR CRIST: Is there a motion on Item 2?

4 COMMISSIONER BRONSON: Can I ask a question?

5 GOVERNOR CRIST: Sure.

6 COMMISSIONER BRONSON: I'll make the motion, but I
7 would like to ask a question. Exactly what is passive
8 recreational use?

9 MR. BALLARD: Greenways and Trails has asked to
10 keep this open for possible trail use as far as the
11 saltwater paddling trail. They're not sure exactly if
12 this is going to be needed, but they would like to keep
13 that open as an option, so mainly for a saltwater
14 paddling trail.

15 COMMISSIONER BRONSON: Motion on the item.

16 GOVERNOR CRIST: You have a question?

17 CFO SINK: Yeah, I have a question. It was
18 pointed out that the -- let's see -- that this property
19 in 1995 was bought by the current owner at a U.S.
20 Marshal's auction. This was some kind of --

21 MR. BALLARD: Bankruptcy.

22 CFO SINK: Was it -- it couldn't have been a
23 bankruptcy. It was probably a --

24 MR. BALLARD: The U.S. Marshal had -- it was
25 transferred to a U.S. Marshal from a California court

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1 that was in Chapter 13 bankruptcy, and it was
2 transferred to them. And then it was in '95 or '96 --

3 CFO SINK: How would the U.S. Marshal have gotten
4 something from bankruptcy? It seems to me it was
5 probably some -- not extradition but --

6 GOVERNOR CRIST: Something legal.

7 CFO SINK: Like a drug dealer who we're taking
8 their property from.

9 COMMISSIONER BRONSON: Like RICO.

10 CFO SINK: Like a RICO. Thank you. I'm missing
11 the word. But the point is that the federal government
12 had this property, and they auctioned it off, and it
13 just seems that we ought to have some kind of -- and,
14 of course, they're in California.

15 There's this little piece of land in Florida that
16 they think is not very valuable, but obviously it is
17 valuable to us for preservation purposes. We ought to
18 have some relationship with the governmental entities
19 who are taking these properties back, whether it's from
20 a drug dealer or some kind of RICO.

21 Is there any way for us to work out some kind of
22 relationship with other governmental entities to be
23 sure, to see whether or not Florida might get the first
24 right of refusal on properties that have been taken
25 back into government ownership anyway?

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1 MR. BALLARD: Yes, ma'am. The situation on this
2 particular property was that this was not in a Florida
3 Forever Boundary until 2005. So we were not able to
4 look at this until ARC had approved this boundary
5 amendment.

6 That's not to say that our -- our folks are
7 keeping their ears open to look for important deals,
8 and if it needs to be added to the ARC list,

9 Acquisition and Restoration Council, we're always
10 looking for good opportunities to purchase conservation
11 lands. And if there's something out there that we
12 would like to get, we would go through the ARC council
13 and try to acquire that as quickly as we can.

14 Having said that, back in '95, the whole concept
15 of -- the push from the Board of Trustees to buy
16 Florida Keys lands I think was not as keen as it is
17 today. And so we're watching and looking and trying
18 for every opportunity that we can. It has to be a part
19 of the Florida Forever boundary, however.

20 CFO SINK: But you have the flexibility and the
21 agility to change the boundary if you've got something
22 like this that comes up that -- \$47,000 is dirt cheap,
23 so --

24 MR. BALLARD: Yes, ma'am.

25 CFO SINK: Thank you.

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1 GOVERNOR CRIST: Any other questions? Is there a
2 second?

3 CFO SINK: I'll second it.

4 GOVERNOR CRIST: Moved and seconded. Show it
5 approved without objection.

6 MR. BALLARD: Item Number 3, consideration of an
7 application for a five-year sovereignty submerged land
8 lease containing 49,245 square feet for a proposed
9 49-slip private residential multi-family docking
10 facility with a fishing pier, authorization for the
11 placement of eight 100-foot-long sections of riprap, a
12 letter of consent for the severance of 3,400 cubic

13 yards of sovereignty material, and a waiver of the
14 severance fee.

15 Bob Brown with the South Florida Water Management
16 District is here to provide project details. And after
17 Mr. Brown is finished, we have a list of speakers.
18 Bob.

19 MR. BROWN: Good morning, Governor --

20 GOVERNOR CRIST: Good morning. How are you?

21 MR. BROWN: -- members of the Cabinet. Fine,
22 thank you. As Mr. Ballard said, this project has a
23 history. District staff has spent an incredible amount
24 of time on this project over the last four years. And
25 we want to provide a project overview to let you know

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1 how we got here and to show that we spent time in
2 making sure this project not only met state law but
3 addressing concerns of third party interests. And
4 we've received a lot of concerned citizens' letters and
5 correspondence over the last few years. And we feel
6 we've addressed all of those concerns.

7 And I'd like to very briefly introduce one of the
8 important people behind the scenes, Ms. Anita Bain, who
9 is a division director in our ERP section, and Barb
10 Conmy is the supervisor who works with Anita.

11 So I'll very quickly provide an overview of the
12 project. Again, the project is located in North
13 Collier County. It's approximately 20 miles to Fort
14 Myers to the north, and Naples is just off of this
15 aerial. Could we go to the next one?

16 Getting a little closer view here, the project is
17 located just south of Wiggins Pass. If you look at the
18 very north inlet or pass on this aerial, that's Wiggins
19 Pass. Vanderbilt Channel --

20 GOVERNOR CRIST: That's going out to the Gulf of
21 Mexico?

22 MR. BROWN: Yes, to the Gulf of Mexico. The area
23 where Anita is pointing right now is known as
24 Vanderbilt Channel. There's a large water body known
25 as Water Turkey Bay. And the channel continues to the

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1 south. And there's a road to the south, which is the
2 southern limits of this project, known as Bluebill
3 Avenue.

4 Again, just very briefly, Wiggins State Park is
5 the area on the west side of Vanderbilt Channel. So
6 that is the state park.

7 CFO SINK: Would you point out the location of the
8 Willett's Pass (sic) Marina, please.

9 MR. BROWN: Of the marina?

10 CFO SINK: Isn't there a marina at Willett's Pass?

11 MR. BROWN: There are several marinas in the area
12 that Anita is pointing to.

13 MS. BAIN: Right up in here.

14 CFO SINK: Wiggins Pass?

15 MR. BROWN: Yes. There are some marinas in that
16 area to the north of the proposed project we're
17 presenting today.

18 CFO SINK: Okay. Thank you.

19 MR. BROWN: A little closer view of the project.

20 Again, you can actually see the Dunes development.
21 It's the development over on the east side. It's a
22 series of condominiums. Again, that project was
23 originally issued an ERP by the District in 1999.

24 GOVERNOR CRIST: Issued a what?

25 MR. BROWN: An ERP, environmental resource permit,

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1 for the construction of the upland development. At
2 that time, though, the marina was not part of the ERP,
3 environmental resource permit, even though we did
4 anticipate at a future date the permittee would come in
5 and pursue a marina.

6 And, again, you can see there's development on the
7 west side, existing development that's been around for
8 35 to 40 years.

9 GOVERNOR CRIST: Are those condos on the right
10 that we're looking at the roofs of or something?

11 MR. BROWN: On the right, that's the Dunes, yes.
12 Those are high-rise condos. And then there are also
13 high-rises on the west side, which is on the left side
14 of the aerial. And, again, that's Vanderbilt Channel.
15 And you can see Bluebill Avenue is the road to the
16 south.

17 GOVERNOR CRIST: Is that Vanderbilt Beach?

18 MR. BROWN: I'm not sure.

19 GOVERNOR CRIST: The beach? Don't know? Okay. I
20 would think so. No?

21 MR. BROWN: That's Wiggins Pass.

22 GOVERNOR CRIST: Anyway, somebody is going to tell

23 us.

24 MR. BROWN: I just wanted to show you a couple --
25 you get a separate perspective from the water. I

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1 actually had the ability a couple of years ago to
2 actually take a boat ride to see the channel because
3 one of the concerns, which we'll talk briefly about, is
4 navigation in this water body.

5 So I think, Anita, if you would show Wiggins and
6 Water Turkey Bay, we're actually headed south here. I
7 have two shots from the water. So we're actually at
8 the very south tip of Water Turkey Bay. And if you
9 look at the next photograph, Anita, you'll actually see
10 to the left side is actually the Dunes towers, and on
11 the right are the other towers you saw on the west
12 side, just south of Wiggins State Park, Wiggins Pass
13 State Park. So we're actually headed south in
14 Vanderbilt Channel through Water Turkey Bay.

15 Then we have one more shot from the water. This
16 is the area where the docking facility will actually be
17 constructed. It's on the left side adjacent to the
18 mangroves, not in the mangroves. It will actually be
19 waterward of the mangroves.

20 Again, you can see Bluebill Avenue to the south,
21 and you can see the condominium facility on the right
22 side, which has been out there for some time.

23 I began my opening remarks by we spent an
24 incredible amount of time on this project. Back in
25 2004 the environmental resource permit application for

1 the marina went before the governing board of the South
2 Florida Water Management District. At that time our
3 board felt that staff did an adequate job of meeting
4 rules, but there was one issue raised by third party
5 interests, and that was boat size and boat draft. At
6 that time our board requested that the applicant reduce
7 the size from 40 feet to 35, no more than 35.

8 At that time the applicant did not want to make
9 that decision, did not want to agree to that. Our
10 governing board actually denied the environmental
11 resource permit, which is a very rare circumstance.
12 Very rarely does our governing board deny an ERP over
13 staff recommendation. And, again, it was because they
14 felt that the applicant should have reduced the size of
15 the boats to address the draft issue.

16 Shortly thereafter the applicant came back in,
17 basically regrouped. I wasn't around in the 2004
18 edition, but I did get involved shortly thereafter, met
19 the applicant, gave them my recommendations on how we
20 could get this project permitted and take it back to
21 our governing board.

22 And, again, if you look at the two plans -- and
23 you'll hear from some of the opposition today -- they
24 don't change much. Well, again, in 2004 we weren't
25 that far. We felt we were very close to having an

1 ERP that met our criteria. The one thing, again, was

2 the reduction in the length of the boats from 40 feet
3 to 35 feet.

4 So we basically have changed the plan from the
5 2004 to the 2006 plan. Again, it was approved by our
6 governing board in December of, excuse me, 2005. And
7 if you look, the boat slips remain the same, 49 slips
8 under both plans, maximum boat length, we went from 40
9 to 35. And the feeling is, if you go to a boat length
10 of 35 feet, the draft will be three feet, which is
11 adequate for the Wiggins Pass area.

12 The mooring, we changed the configuration of the
13 mooring, which I'll talk a little bit more about,
14 because of adjacent seagrasses. The original plan had
15 boats stern in. We decided to go bow in with these.
16 So the stern will actually be out toward the
17 intercoastal.

18 Maximum draft, again, the original permit did not
19 have any restrictions. This one has a restriction of
20 three feet, which is consistent with the Wiggins Pass
21 management plan.

22 The contour line we actually shallowed up. My
23 recommendation was to shallow up because you only need
24 three feet of draft. We shallowed up the amount of
25 dredging, so there's not as much dredging required as

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1 part of this request. We pretty much left the cubic
2 yards, because the bottom is not consistent. It's an
3 undulating bottom there. So we wanted to be very worst
4 case scenario. So there will be no more than 3400
5 cubic yards of material taken out of this area.

6 The lease area remains the same. It's a little
7 over an acre, 49,000 square feet. And riprap, riprap
8 is the placement of boulders, lime rock boulders on the
9 bottom. And we think this is a good thing. And I'll
10 talk a little bit more about it. But the old plan
11 actually had riprap being stacked above mean low water.

12 That was a concern I had for manatees. We were
13 concerned that manatees could get behind the riprap,
14 lime rock boulders on a high tide and get trapped
15 there. So we basically have had the applicant reduce
16 the riprap. So now it will just be along the bottom.
17 Could we go to the next slide?

18 Seagrass surveys, we pay close attention to
19 seagrasses. They're a very important resource in the
20 state of Florida. And in this area, the one seagrass
21 that we have found in the past is Halophila. It's also
22 known as paddle grass. It's not like the seagrass you
23 see in Biscayne Bay or the Keys. It's not a very dense
24 seagrass. It's very sparse.

25 We actually found it on two inspections. And

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1 so -- and seagrasses come and go. This is a very
2 dynamic area. When you're in inlet areas, sands shift,
3 freshwater discharges can allow seagrasses to either
4 grow or to disappear. So in order to be -- you know,
5 to take consideration of where the seagrasses were,
6 even though they're not there right now, we made sure
7 that the docking facility would be waterward of where
8 there were known seagrass areas.

9 So, again, the docking facility will be waterward
10 of any known areas of Halophila that were previously
11 seen in inspections.

12 This is another important aspect. Part of our
13 ERP required that conservation easements be placed.
14 And if you look, there's two different types of
15 crosshatching. The area to the south is what we call a
16 passive conservation easement. And that's passive
17 because we allowed the individual -- excuse me -- the
18 applicant to construct a boardwalk to actually access
19 the marina facility.

20 So this area is known as a passive conservation
21 easement. It's only for the boardwalk. And, again,
22 the impacts associated with the boardwalk have been
23 authorized by our environmental resource permit.

24 The area to the north is what we call a standard
25 conservation easement. And, again, the applicant was

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1 required to put a conservation easement but basically
2 can't do anything with that conservation easement. It
3 has to remain in its natural state. And they're also
4 responsible for perpetual management of that area,
5 removal of any nuisance or exotic species.

6 So we feel, between the passive conservation
7 easement and the standard conservation easement, this
8 area will be protected in perpetuity.

9 And in addition, Anita reminded me of one other
10 thing. We have a proprietary conservation easement
11 along the entire length of the shoreline, over 9500
12 feet, which means that this applicant will never be

13 allowed to come in and request additional boat slips or
14 expansion of this docking facility, unless they come
15 back to our district governing board or come back to
16 the Cabinet.

17 So right now it's restrictive. And so they're
18 basically saying right now that they will not ever come
19 in here and pursue any additional docking facilities to
20 the north of the existing proposed marina.

21 Public interest test, this is an Outstanding
22 Florida Water, the area to Bluebill Avenue. The rules
23 state that a project needs to be clearly in the public
24 interest, and on the state lands side, the project
25 can't be contrary to public interest. That's a tough

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1 one. You know, we always struggle, what is clearly in
2 the public interest. And the District position is --
3 and, again, this was part of our Environmental Resource
4 Permit that was taken to our governing board in
5 December of 2005.

6 We feel strongly that the placement of an easement
7 over the entire area, which is over 75 acres, including
8 the proprietary easement along the shoreline, in
9 addition to the placement of riprap, which is very
10 important habitat for juvenile and young fish species,
11 we feel that because of the riprap and the easements,
12 this project is clearly in the public interest.

13 And, again, our request today is for consideration
14 of an application for a five-year submerged land lease
15 over 49,245 square feet. And that pretty much

16 concludes my part. And I know the applicant, I think
17 they want to -- we have a few speakers on behalf of the
18 applicant, and then we have several individuals
19 opposing the project. And then we can answer questions
20 at any point that you would like, if you want to wait
21 until after the --

22 GOVERNOR CRIST: That's probably good. Why don't
23 we let them speak and then we'll entertain questions.

24 MR. BALLARD: Governor, the answer to your
25 question, Barefoot Beach is right there, and then north

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1 of Barefoot Beach is Wiggins Pass State Park, which
2 also has a beach.

3 We have ten speakers today. The first one will be
4 Steve Lewis.

5 GOVERNOR CRIST: Good morning.

6 MR. LEWIS: Good morning, Governor. Governor,
7 members of the Board, my name is Steve Lewis. I'm with
8 the law firm of Lewis, Longman & Walker, and we
9 represent the applicant. I just wanted to highlight a
10 few things about this proposed project because I think
11 they're significant and I think they're environmentally
12 very sensitive.

13 We're going to preserve almost two miles of
14 mangrove shoreline that will be preserved forever.
15 There will never be more than 49 slips, as Tom,
16 Mr. Brown, just said. The design and location, we
17 believe, complies with all of your regulatory standards
18 in 18.21.

19 The FWCC states that we comply with the Manatee

20 Protection Plan. In fact, we're well, well, well
21 underneath the allowable number of slips under the
22 Manatee Protection Plan.

23 It's been looked at from the perspective of any
24 potential navigational impacts, and it's been concluded
25 by the FWCC that there are no navigational hazards. I

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1 would point out that there are many existing vessels in
2 this waterway that exceed the 40-foot length. In fact,
3 I think some have recently been approved even further
4 upstream from us that exceed 40 feet, but they don't
5 require leases because I don't think they're on
6 sovereign lands in those areas.

7 We have a three-foot draft restriction, which
8 again is significantly less than many of the vessels
9 that are in that water body right now. We have a
10 sewage pump-out portable facility located on the
11 uplands, which will help protect water quality.

12 And really one of the last points I want to make
13 is that the area we're talking about historically was
14 basically a mangrove swamp. There was no waterway
15 here. Historically, it was dredged out in about 1962,
16 and it's approximately 300 feet wide, about the width
17 of a football field.

18 You know, we have done everything that we can
19 think of to do this right. This particular client
20 worked on other projects in the area, and we've also
21 put conservation easements on lands immediately north
22 of there, other significant wetland areas. They have

23 been good stewards, and we would really appreciate your
24 support. Thank you.

25 GOVERNOR CRIST: Thank you.

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1 MR. BALLARD: Next up is Justin Finch. And after
2 Justin, if we can have Frank Letizia get ready to
3 speak.

4 MR. FINCH: Good morning, Governor, members of the
5 Cabinet. My name is Captain Justin Finch. I have
6 lived in the Vanderbilt Beach area for 23 years. A
7 little background about myself, I was raised in a home
8 on the water in Vanderbilt Lagoon, which is about a
9 mile south of the waterway we're talking about now.

10 My mother was an accomplished sailor, nationally
11 ranked on the amateur level. My father is actively
12 serving in the United States Coast Guard. And needless
13 to say, at an early age, I was taught to respect and
14 enjoy the waterways around Southwest Florida.

15 I've been a licensed Coast Guard captain for 13
16 years, predominantly using my license as a fishing
17 guide. I'm currently owner/operator of South Bay
18 Marina, which is located at the southern end of
19 Vanderbilt Lagoon, approximately two miles south of the
20 waterway that we're talking about now.

21 My predominant profession is charter boats. I rig
22 four charter boats, 12 rental boats. So when this
23 project came my way, I was obviously quite concerned.
24 And my primary concern was the navigation aspect. We
25 currently have a 25- to 30-minute idle-speed trip from

1 my facility to Wiggins Pass. I've calculated
2 accurately that I've traversed this waterway
3 approximately 600 times a year. So, needless to say,
4 not much gets by me.

5 With an average channel width along the dock line
6 of 175 feet, I do not see any navigational risks. Just
7 to the north, in Turkey Bay, the channel narrows to
8 kind of a choke point that's about 60 to 70 feet wide.
9 And even in the busiest holiday weekends, there's no
10 problem. If anything, people get in a single file
11 line, and I've never heard of any traffic jams. So
12 this 175-foot average width is not even remotely going
13 to be a problem.

14 My second issue was environmental impacts. Two of
15 my charter boats are exclusively for backwater use. We
16 utilize Turkey Bay quite a bit. It's a great natural
17 resource. I was really impressed once I got into the
18 details of this project. I've never seen anyone go to
19 quite these extremes to meet environmental standards.

20 For example, the seagrasses, they are employing
21 fixed docks, which I think is a huge compromise. Most
22 of the clientele at the Dunes is older. And to give up
23 floating docks is a big concession.

24 Also they've employed grating into the docks to
25 let additional light through to protect that seagrass,

1 which I'm quite impressed with. I've never seen it

2 before in our area. In about the past 15 years all the
3 major dock projects that we've seen have been floating
4 concrete docks. I really, off the top of my head,
5 cannot think of anyone that's used these fixed docks.
6 So that's saying a lot, that they've done that.

7 Another concern is obviously the manatees. I do a
8 lot of fishing charters, but the manatees, dolphins,
9 wildlife in general serve a valuable purpose for me, to
10 take people out and to see nature and also incorporate
11 the fishing. Very often it can turn a bad day of
12 fishing into a really memorable experience for a lot of
13 people. So it is very important to me.

14 I like the fact that they dropped the riprap down.
15 I really don't think it would be a huge concern, but
16 it's one of those odd chances that something, a freak
17 accident could happen. I really like that they went
18 out of their way to do that.

19 I'm not a manatee expert, about what they eat or
20 migrational patterns, but I can tell you with great
21 confidence I have never seen manatees eating on the
22 sparse grass that's located in that area.

23 Typically their migration pattern that I know,
24 where we are, is they'll come in, come through Turkey
25 Bay. If it's a high tide, they'll follow the western

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1 edge of Turkey Bay. If it's a low tide, they'll use
2 the main boat channel. They come down. They follow
3 the seawall on the west side. It's actually
4 significantly deeper on that side of the channel. And
5 they skirt the seawall and head on through.

6 And typically when they do stay overnight, they'll
7 stay in the Vanderbilt Lagoon, and then it's usually no
8 more than a day and they're off on their way again. I
9 don't know where they're coming from. I don't know
10 where they're going. But I can tell you with
11 confidence what they do when they're in our area.

12 Another problem we have locally is our boat ramps
13 are extremely overcrowded. I'm friends with quite a
14 few people over at the Dunes. They have their boats
15 trailered and store them at off-site facilities. And
16 anything we can do to increase the amount of dock
17 spaces that we have available would take some of that
18 pressure off of the boat ramps.

19 Since I've purchased my marina five years ago,
20 we've had three major marina facilities close to become
21 private condos. So this pressure is increasing. So
22 anything we can do to take the load off would be great.

23 And one of my most favorite things about this
24 project is when I heard that the developer was going to
25 donate the property around Turkey Bay and make it a

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1 preserve. This is a local gem. It's a great resource.
2 It's actually really been discovered by our local
3 population in the past two, three years. It has some
4 phenomenal kayaking, birdlife, marine life. I just
5 want to give this project my full endorsement. Thank
6 you.

7 GOVERNOR CRIST: Thank you, sir.

8 MR. BALLARD: Next up we have Frank Letizia, and

9 then after Frank, we have Jonathan German.
10 MR. LETIZIA: My name is Frank Letizia, and I'm a
11 resident of the Dunes. And I just feel like we should
12 also have a chance to have a boat dock just like
13 everybody else. You know, it's like if you have a
14 bunch of children and you had a pie and you cut it up
15 and then all of a sudden you're denying one to the last
16 child. Thank you very much.
17 GOVERNOR CRIST: May I ask, do you have a boat,
18 Mr. Letizia? Frank? I was just curious. I'm sorry.
19 Do you have a boat?
20 MR. LETIZIA: No, I don't have a boat.
21 GOVERNOR CRIST: Do you want to get one?
22 MR. LETIZIA: Yes. Thank you.
23 MR. BALLARD: Jonathan. Then after Jonathan
24 German, we have Bill Hyde.
25 GOVERNOR CRIST: Good morning.

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1 MR. GERMAN: Good morning. My name is Jonathan
2 German. I'm a four-year resident at the Dunes, and
3 I've got a number of friends at the Dunes that are just
4 looking forward to being able to get a boat.
5 And if you look around -- it's not on the TV now,
6 but every surrounding community on the water has had
7 boat docks for many years, and we're the last
8 development that's in that area that doesn't have it.
9 We've got some preserve there that's been -- the
10 mangroves have been well, well maintained. We've got
11 way more than necessary. And putting boat docks there
12 would be a -- it would be a tremendous benefit to that

13 entire area.

14 The friends that I know that are looking forward
15 to putting boats there, they're all professional
16 boaters, been boaters for many years. Thank you.

17 GOVERNOR CRIST: Thank you, sir.

18 MR. BALLARD: After Bill Hyde, we're going to have
19 Nicole Ryan.

20 MR. HYDE: Good morning, everyone. My name is
21 William Hyde. I'm with the Tallahassee office of
22 Gunster, Yoakley & Stewart. And I'm here today on
23 behalf of the Vanderbilt Beach Residents' Association,
24 which is a homeowners' association representing in
25 excess of 600 home owners in the area, both on the west

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1 side of the lagoon and on the east side of the lagoon.
2 It is a combination of two former property owners'
3 associations, one called the Vanderbilt Beach Property
4 Owners' Association, Inc., and the Vanderbilt Beach &
5 Bay Association. They merged and they are one entity
6 today.

7 Please note that I've titled my presentation "The
8 Same Bad Project for a Beautiful Location." As
9 Mr. Brown noted, this project was initially turned down
10 on October 13th of 2004. He did mention that they were
11 demanding some smaller boat sizes, reduced dredging and
12 a shallower draft.

13 I think that these were de minimus changes. I
14 would suggest to you that the reason it got approved
15 the second go-around was more a change in the

16 constituency of the governing board rather than any
17 significant change in the project itself.

18 I would emphasize that we are here located in an
19 Outstanding Florida Water that extends all the way down
20 the lagoon to Bluebill Bay, including Water Turkey Bay
21 and the pass that goes out, Wiggins Pass.

22 Significant presence of mangrove communities all
23 around. Turkey Bay is a rather shallow water body, not
24 amenable to much of anything except for canoes and/or
25 kayaking.

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1 This is kind of a money shot of what the project
2 looks like today in its preconstruction. You can see
3 there is a very nice, lush, dense and wide mangrove,
4 healthy mangrove community. Where the boardwalk would
5 come through is approximately 900 feet wide. So you're
6 going to, in effect, be authorizing or promoting an
7 eight-foot, minimum eight-foot-wide, in some cases
8 12-foot-wide slash through the heart of this mangrove
9 community.

10 I think that is a significant impact that the
11 department -- excuse me -- the District seems to think
12 has been mitigated, but I think inadequately so. This
13 is another shot of the same land but, again, more from
14 an eastern exposure. Again, it shows, just to the
15 lay eye, the denseness, the thickness and the quality
16 of this mangrove community.

17 And this boat dock, docking facility would run
18 along this entire stretch of the lagoon. It's about
19 1100 feet. It's going to be an incredibly long pier.

20 And that doesn't even include the 900-foot boardwalk
21 that goes from the landward -- from the landward, or
22 the land portions of the development to the waterfront.

23 Again, we see here, this is Wiggins Pass. Anybody
24 can see just from looking at this photo or reading old
25 reports about Wiggins Pass is that it's a very shoaly

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1 pass and it is often difficult to ingress and egress.
2 You have to have local knowledge.

3 I would note that even your own Fish and Wildlife
4 Conservation Commission has just recently opined that
5 portions of the channel in Water Turkey Bay are 18 to
6 24 inches. They had trouble taking a 19-foot flats
7 boat through without bumping the ground. I would
8 suggest to you that there's a significant navigation
9 issue there, especially when you're considering 35-foot
10 boats with three-foot drafts. They're going to be
11 bumping the bottom.

12 I guess you could say a primary concern that we
13 have here is manatees. Manatees do use this area.
14 They appear to be using it more than before. And the
15 docks, the riprap and the boats in this completed
16 marina, when it's up and operational, are going to
17 discourage access by the manatees to the seagrasses
18 along the shoreline.

19 Those seagrasses come and go, but they are there,
20 and the seagrasses are an important feeding habitat for
21 manatees, which are a protected species, thankfully
22 still a protected species. And I think you should

23 pause long and hard before you do anything that might
24 affect a feeding area for manatees, especially in an
25 area where the seagrasses have rather radically

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1 declined over time due to poor water quality conditions
2 in the area.

3 The manatees -- I mean, obviously, when you see
4 what these boat docks are going to do, they're going to
5 be pushed into the -- more out to the narrow channel, I
6 think, increasing the likelihood of boat traffic. I do
7 recognize that it's a slow speed area, but manatees are
8 pretty slow speed animals.

9 Let's look at water quality already in this area.
10 The water quality is already very poor. It's been
11 designated by DEP as an impaired water body. It's got
12 poor tidal flushing. There will be increased turbidity
13 due to prop wash resuspending unconsolidated bottom
14 sediments. Oils and greases associated with boats,
15 especially larger ones, with bilge pumps is going to
16 occur more and more. That is an inevitability. That's
17 a fact of life in a marina. Anybody who says it
18 doesn't occur is misleading you.

19 And then I think significant, the distance of the
20 sewage pump-out facilities from the boats, especially
21 the southernmost slips, increases the likelihood of
22 illegal sewage holding tank discharges by boaters.

23 The landward terminus or location of the portable
24 sewage treatment facility is about 2,000 feet from the
25 southernmost dock. It's going to be an operation to

1 drag things down there. One of the reasons you have to
2 have such a big pier is because people are going to
3 have to walk so long and carrying their boating
4 equipment and food and the sewage pump-out equipment.
5 Obviously, they're intending to use some sort of golf
6 cart, because I think people would get pretty weary of
7 that long hike.

8 Seagrasses. Seagrasses are very significant in
9 this area. This is one of the few remaining areas
10 around here where there are seagrasses, and I think it
11 is worth noting what a consultant we retained said
12 about this. And I know a number of you know who this
13 consultant is. It's Mr. Robin Lewis. I think he's
14 considered the expert in Florida on seagrasses.

15 And he said in a letter to me, and I'm quoting
16 some of his information, "I would conclude that the
17 submitted seagrass maps are not an accurate depiction
18 of the location of the seagrasses and that the proposed
19 dredging would therefore likely destroy existing
20 seagrasses or seagrass habitat, which is not permitted
21 by the draft permit. Thus, it is likely direct
22 unquantified impacts to seagrasses will occur. There
23 is also no requirement to follow the distribution and
24 health of the seagrasses after the project is completed
25 to determine if any impacts do occur in spite of the

1 permit requirements that no impacts to seagrasses are

2 to occur."

3 This is a side note. Sometimes you see this in
4 permitting, no impacts to seagrasses are to occur, no
5 impacts to manatees are to occur. But nobody follows
6 up. Nobody ensures that that's the case. And I think
7 that that's a big omission here.

8 Let's talk about the site unsuitability of this
9 marina. And I think you need to -- some marinas really
10 belong in some places. And my clients are not NIMBYs
11 and we're not anti-marina. This is just a bad site for
12 a marina.

13 The need for the extensive dredging, which Nicole
14 Ryan will touch on; the distance from the boardwalk
15 entrance to the waterfront itself, over 900 feet
16 through an eight-foot-wide swath of eliminated
17 mangroves; the distance from the boardwalk entrance to
18 the southernmost dock, almost 1900 feet, two-fifths of
19 a mile; the distance of the sewage pump-out facility to
20 the most distant wet slips or boats, about 2,000 feet;
21 the need for such a long, wide boardwalk through
22 mangroves to provide access to the waterfront in the
23 first place; the associated destruction of a healthy,
24 high quality mangrove community, not the entirety of
25 it. You're just going to put a big scar right through

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1 the middle of it. The shallowness and meandering
2 nature of the channel through the OFW to the Gulf of
3 Mexico, and the shallowness and ever-shifting nature of
4 the pass to open water in the Gulf of Mexico.

5 And I would note here that this isn't a real high
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6 demand area. I think, as Ms. Sink said, there are --
7 or noted that there are other available nearby marinas.

8 Your determination is to be whether it's contrary
9 to the public interest, but I think the OFW test,
10 clearly in the public interest, informs that debate and
11 that determination by you. This is a private
12 ownership-oriented marina for the private benefit of
13 the developer and boat owners. There's no public
14 access, and there's no demonstration whatsoever by the
15 applicant of that being in the public interest, except
16 for I think three claimed things.

17 The riprap, which is pretty sorry habitat under
18 any set of circumstances and may cause impacts to the
19 manatees, an annual fee of some \$28,000, which is a
20 joke when you consider how much the owner/developer is
21 probably going to reap. That's probably one-tenth the
22 cost of selling off one of these marina slips, which
23 I've heard in this area go anywhere from two hundred to
24 three hundred thousand dollars.

25 And then finally the conservation easements over

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1 the mangrove forests. Well, you know, I think it's
2 great to put conservation easements and preservation
3 easements on these kinds of lands, but let's not pat
4 the landowner too much on the back.

5 Those lands are undevelopable. We know they are.
6 The most you could do with them under any set of
7 circumstances might be to put some passive trails or
8 boardwalks in them, nothing more.

9 We sometimes forget reality. I don't think any
10 agency of this state or the federal government or even
11 Collier County would permit the wholesale development,
12 filling of that -- those areas.

13 So while it's a good thing to impress them with a
14 conservation easement, I don't think you should give
15 that much credit to someone to set aside some property
16 which they clearly in all likelihood could never do
17 anything with anyway.

18 This is the last photograph. I think it just
19 shows you the beauty of the area as compared to the
20 developed area along the eastern shoreline. We have a
21 very healthy, nice mangrove community. It's an area
22 where not only manatees can feed but also other species
23 of animal feed, including wading shorebirds, egrets and
24 the like, which are either endangered, threatened or
25 species of special concern.

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1 And if you put boats and pilings all along there,
2 they're going to -- that habitat for them is going to
3 be significantly impacted, if not altogether
4 eliminated. And I think you need to keep that in mind.
5 It's not just about manatees. It's about the other
6 species that would utilize this area, and not only the
7 seagrasses but the adjacent mangrove areas.

8 Finally, two things that I'm just going to bring
9 up and show to you. I think it's kind of a telling
10 demonstration. The first photograph was taken by one
11 of the members of our organization. It's the
12 Vanderbilt Lagoon as it exists today. It's pretty

13 nice, a very pretty area.

14 With a little Photoshop work, we inserted this
15 marina in that place. And you can see how drastically
16 this lagoon area, this mangrove-lined area is going to
17 be changed. I mean, the esthetics of this are going to
18 be, I think, appalling. I think it's going to
19 significantly impact on the seagrasses. It's going to
20 eliminate feeding habitat for not only manatees and
21 other wading birds, it will also create multiple
22 opportunities for additional discharges to an already
23 impaired water body.

24 And unless you have any further questions of me at
25 this time, I will conclude my remarks and introduce you

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1 to Nicole Ryan, who is with the Conservancy of
2 Southwest Florida.

3 GOVERNOR CRIST: Thank you. Good morning.

4 MS. RYAN: Good morning. Thank you, Governor,
5 members of the Cabinet. My name is Nicole Ryan. I'm
6 here on behalf of the Conservancy of Southwest Florida.
7 We're based in Naples. And I'm here on behalf of our
8 5500 family memberships, of which about 4500 of those
9 reside in Collier County and Bonita Springs.

10 The Conservancy of Southwest Florida is a
11 nonprofit environmental organization that has provided
12 environmental education, scientific research and policy
13 advocacy to protect Southwest Florida's natural
14 environment and quality of life since 1964. And while
15 much has been accomplished, much still remains to be

16 done.

17 The Conservancy is involved in researching
18 Southwest Florida's estuaries. And the research has
19 consistently shown that the health of our estuaries
20 continues to decline with the rapid urbanization of our
21 watersheds.

22 A majority of the Wiggins Pass/Cocohatchee
23 watershed is already impaired for low dissolved oxygen.
24 And the Wiggins Pass estuary is classified as an
25 Outstanding Florida Waters. As such, the estuary

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1 warrants the highest level of protection in the state
2 through prohibition of development projects that
3 contribute to the further degradation of the quality of
4 these waters.

5 You're being asked to determine if the removal of
6 3400 cubic yards of material will be in the public
7 interest or contrary to the public interest. This may
8 not at first sound like an enormous amount of material,
9 but it actually equates to over 300 dump-truck loads of
10 material being removed in waters that are owned by all
11 the citizens of the state of Florida.

12 And we need to keep in mind the impacts aren't
13 just directly to the site. There are secondary and
14 cumulative impacts. For example, this material will be
15 dewatered on site and then it will be discharged just
16 south of the Outstanding Florida Waters. And we
17 believe that there will be impacts of that water
18 flowing back into the OFW.

19 The negative impacts of this project which have

20 been elaborated upon already, the increased turbidity,
21 impacts to seagrasses, impacts to manatees, the impacts
22 to mangroves of having the boardwalk cut through them,
23 impacts to wading birds that utilize these mangroves
24 for feeding along the shoreline.

25 I want to reiterate this isn't about stopping

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1 boating or stopping the construction of docks that are
2 in the appropriate locations. But we believe this is
3 the wrong project in the wrong location, and nothing
4 can make it right.

5 The public benefit of this has been expanded upon
6 as the riprap underneath the dock. The Conservancy
7 believes this is part of the dock construction design
8 and does not warrant being part of the public interest.

9 A conservation easement over shoreline footage
10 that was already protected by a conservation easement
11 until last year, the Conservancy believes that first
12 removing shoreline from a conservation easement, then
13 reoffering it after it has served to calculate wet slip
14 footage is not in the public interest and sets a very
15 dangerous precedent.

16 And, finally, the minimal sum of \$28,000 to the
17 State of Florida, we do not believe this meets the
18 public interest test. Those that will benefit from
19 this project, 49 boat owners and the developer.

20 In conclusion, the very fact that the Wiggins Pass
21 estuary is designated as an Outstanding Florida Waters
22 means that additional care must be taken when decisions

23 are made for activities within these waters. This is a
24 system already under stress, and we look to you as the
25 stewards of our natural resources to protect our

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1 environment.

2 This project is simply incompatible with the
3 Wiggins Pass OFW. The Conservancy believes we can all
4 be part of the solution to protect and improve the
5 Wiggins Pass estuary. We ask that you take action
6 today that will help avoid further degradation by
7 denying this submerged lands lease. Thank you.

8 GOVERNOR CRIST: Thank you, Nicole.

9 MR. BALLARD: Next up we have Bruce Burkhard. And
10 after Mr. Burkhard, we have Lew Schmitt.

11 MR. BURKHARD: Good morning, Governor and Cabinet.
12 I appreciate your time. I'm Bruce Burkhard, and I'm a
13 director of the Vanderbilt Beach Residents'
14 Association. We represent 960 households in the
15 Vanderbilt Beach area. We also have here about several
16 hundred signatures on petitions, people requesting that
17 this project not be approved.

18 I'd like to talk to you briefly again about the
19 clearly in the public interest test. It seems to me
20 that this application has been a tangled web right from
21 the very outset. Terms and specific requirements that
22 were presented to us as necessary seem to have
23 disappeared or changed in later hearing documents. I
24 have no reason to believe that our original briefing by
25 Water District official Mr. Robbins were incorrect.

1 This project is located in Outstanding Florida
2 Waters and, therefore, has to meet proprietary
3 guidelines, such as clearly in the public interest,
4 protection of sovereign lands and equitable
5 compensation, et cetera, in order to be eligible for an
6 ERP and the subsequent submerged land lease.

7 In the Water Management District hearing of
8 October 13, 2004, during which this application was
9 denied, much of the discussion turned on several
10 elements of the clearly in the public interest test.

11 The public interest test for an ERP has seven
12 criteria. And we believe that this Dunes project fails
13 in six of those seven criteria. Since it fails
14 miserably, not only is it not clearly in the public
15 interest, it's in fact contrary to the public interest,
16 we think.

17 Since the water management board gave virtually no
18 consideration to the public interest question as they
19 passed the decision up to you folks, it would seem that
20 it has to be heavily weighed as you make your decision,
21 because you're really deciding on the ERP as well as
22 the submerged land lease. By voting to deny the
23 submerged land lease, you'll also be denying the ERP.
24 That's certainly -- that is certainly what we hope
25 you'll do.

1 I think the original idea or concept of having a

2 preserve along this beautiful stretch of Outstanding
3 Florida Waters was good for people, birds and fish.
4 The paltry \$8,000 a year in lease fees for over an acre
5 of valuable land that belongs to all of us is a very
6 poor trade-off for the harm that this outsized marina
7 is going to cause to our whole ecosystem.

8 I don't think there's any way that this
9 application can be characterized as clearly in the
10 public interest. Please help preserve this section of
11 Outstanding Florida Waters. Vote to deny the
12 application. Thank you.

13 MR. BALLARD: Lew Schmitt. And then after Lew, we
14 have B. J. Savard for you.

15 MR. SCHMITT: Good morning. I'm Lew Schmitt. I'm
16 a resident of the Vanderbilt Beach area, and I'm a
17 former or the former owner and operator of a marine
18 transportation company based in the Port of Chicago. I
19 am familiar with navigation. I am familiar with
20 operation in tight waters, what I call tight waters.

21 We need to revisit our concerns about navigation.
22 Many of our residents have boats and transit this area
23 frequently.

24 It was said that the pass through Turkey Bay is
25 negotiable. This saying is correct for seasoned boat

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1 operators. The channel, as brought to your attention,
2 is as shallow as 19 to 24 inches at low tide. The
3 boats of three-foot draft -- and they probably will
4 have greater draft -- will have a difficult time
5 negotiating this pass. Other boats that have shallow

6 draft will be forced to avoid them.

7 There will be a substantial increase in the number
8 of groundings in this area. There will also be a
9 substantial increase in risk of accidents, serious
10 accidents that could involve property damage and
11 personal injury. We need to be aware of the risk of
12 putting too many big boats in that area.

13 Our second concern with regard to navigation is
14 the location of the marina. They have not presented to
15 you a concern that we have as boat operators. One of
16 those is being able to see the marina and the activity
17 in the marina as you attempt to approach and attempt to
18 pass the marina. The marina runs right up to Bluebill
19 Avenue bridge draw.

20 The bridge draw will make it very difficult for
21 boat operators going north to see what's going on in
22 that marina. It lends itself to serious accidents.

23 There is one other point that you need to be aware
24 of. The currents and the winds, prevailing winds are
25 conflicting at this location. The currents run

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1 north-south. The prevailing winds are from the west
2 and northwest. It will make maneuvering at this very
3 tight marina very tricky.

4 Boat operators trying to get in and out of their
5 slips are going to be more concerned about damage to
6 their boat than passing traffic. It will also be
7 difficult for their crew people to help them land and
8 secure their vessels.

9 I assure you there will be people with sprained
10 wrists, sprained ankles, broken bones. Some will go
11 overboard, and there is a risk of a loss of life at
12 this marina.

13 The problem with the marina is it's in the wrong
14 place. It's a hazard to navigation. The boat slips
15 are too large. Enforcing a three-foot draft is
16 impractical. It will not happen. The draft will be
17 deeper. It will probably average three and a half
18 feet.

19 Finally, there are too many slips there.
20 Forty-nine just overwhelms the area, as you have seen
21 in the previous presentation.

22 So from a strict navigation viewpoint, I would
23 urge you to consider the risk and reject this
24 application. I thank you.

25 MR. BALLARD: After B. J. we have Jay Thompson, and

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1 he will be our last speaker.

2 MS. SAVARD-BOYER: Good morning, Governor and
3 Cabinet members. My name is B. J. Savard-Boyer. I am
4 president of the Vanderbilt Beach Residents'
5 Association. But I'm here as a concerned homeowner
6 from Naples. I've followed your campaign promises, and
7 I'm in agreement with your -- what appears to be a
8 sincere effort to protect our environment for future
9 generations.

10 I hope that you and your Cabinet are going to be
11 able to stand up to the development industry, who so
12 often have been willing to sell out our environment.

13 If we don't get serious about things like delicate
14 estuaries, we're going to have bodies of water so
15 polluted and lifeless that we won't be a desirable
16 place to live or visit.

17 I noted that the staff report asserts the maximum
18 length of the boats is now 35 feet, and there will be
19 dredging of four and a half feet. I think you should
20 ask why any dredging is a good thing. Pollution of all
21 sorts that has been settled and covered over for years
22 will be disturbed and inevitably flow throughout the
23 lagoon.

24 Recently our Collier County commissioners, some of
25 them went to Washington, and they came back excited

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1 about the Water Resources Development Act, which has
2 put aside some money. And one of the studies is
3 Section 4029, Vanderbilt Beach Lagoon, Florida. The
4 secretary shall conduct a study to determine the
5 feasibility of carrying out a project for environmental
6 restoration, water supply and improvement of water
7 quality at Vanderbilt Beach Lagoon. That water has
8 been deteriorating over many years.

9 The other thing of concern is our sea life. They
10 are also in jeopardy. We've had many manatee sightings
11 this summer -- and I have a lot of pictures, but I
12 don't know how to show them to you -- in our canal. We
13 are the last canal before you get to the lagoon.

14 GOVERNOR CRIST: You can just hand them to Mike,
15 and he could let us look at them.

16 MS. SAVARD-BOYER: Okay. It was exciting. There
17 were about six or eight of them there.

18 GOVERNOR CRIST: They're pretty neat.

19 MS. SAVARD-BOYER: Putting a marina at the choke
20 point in a lagoon system will naturally force boats and
21 manatees to mix. And the end result, of course, will
22 be harmful to our threatened friends.

23 Please live up to your billing as the green
24 cabinet that really is concerned about our environment.
25 This project has pushed the envelope in so many ways.

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1 I would expect that you would agree with the hundreds
2 of north napers -- okay, the mouth is not working --
3 north Naples --

4 GOVERNOR CRIST: You're doing great.

5 MS. SAVARD-BOYER: -- residents who believe this
6 project is for the benefit of a few. And it won't have
7 any negative impact, in fact, the whole estuary and the
8 definition, our whole community will benefit if you
9 reject this lease of public submerged land. Thank you
10 so much.

11 GOVERNOR CRIST: Thank you.

12 MR. BALLARD: Jay Thompson.

13 MR. THOMPSON: Governor Crist, Cabinet members,
14 thank you for the opportunity to speak. I live on the
15 west side of this particular channel, and this area is
16 called Carol Baker Point. I got that backwards, Baker
17 Carol Point. There are ten condos in this particular
18 area, and there are over 600 residents in those condos.

19 There is a seawall that goes the entire length of

20 this particular proposal that is over 25 years old.
21 It's fragile. The turbulence you're going to get from
22 increased boat traffic in the area is going to be a
23 problem for those of us that live on the west side.

24 In January, when this was initially scheduled
25 before the Cabinet, where there was a poll done by the

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1 presidents of our residents' associations, and we deal
2 with over 600 condo units on the west side, there was
3 not a single representative that responded that was in
4 favor of this proposal.

5 I mean, it was unanimous. The residents living on
6 the west side were opposed. In fact, I would go so far
7 to say that if you lived on the west side, you would be
8 opposed to this project also, for the reasons that
9 you've heard.

10 A couple of things I wanted to talk about. The
11 photos that the South Florida Water Management District
12 put forth are really misleading. You know, that is
13 showing you Turkey Bay, and it doesn't show you how
14 narrow that channel is.

15 The channel is probably 100 yards at the widest
16 spot, and in some spots it will be more narrow than
17 that. So the types of things that Lew talked about
18 with navigation do become a concern.

19 We don't have problems with people having boats or
20 docks. This is a question about the right place, the
21 right time. In real estate they have a slogan that
22 says location, location, location. Well, this is the

23 wrong location for this particular proposal.

24 I mean, you can see from your particular photos
25 that have been given to you, we're dealing with a

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1 shoreline that is an absolute gorgeous shoreline, and
2 it's one of the things that attracted many of us to
3 settle in this particular area.

4 As a result of this, I think it is really critical
5 that you give serious consideration to this. The
6 question I would have to you is how do you preserve a
7 shoreline by destroying it. We sincerely request that
8 you deny this submerged land lease permit at this site.

9 We thank you for your willingness to look at this
10 and consider a proactive decision in regard to coastal
11 waters in this particular vital estuary system. Thank
12 you.

13 GOVERNOR CRIST: Thank you, sir.

14 MR. BALLARD: Governor, Cabinet, that concludes
15 the presentation. We have Bob Brown from the South
16 Florida Water Management District who would like to
17 make some points of clarification, if he may.

18 GOVERNOR CRIST: Sure.

19 MR. BROWN: Thank you. I'd just like to respond
20 to a few of the items brought up by Mr. Hyde as well as
21 some of the residents on the west side. And first of
22 all, the boardwalk was approved by the South Florida
23 Water Management District Governing Board. So from the
24 upland edge to mean high water has already been
25 approved. So that's not part of this lease. So I just

1 wanted to clarify that. And the mitigation for those
2 impacts, approximately .15 acres of mangroves has been
3 incorporated into the existing conservation easement.
4 So that's an ERP issue that wasn't part of this
5 submerged lands lease.

6 A couple of other things I think Mr. Hyde brought
7 up. There is a Wiggins Pass management plan. They
8 maintain Wiggins Pass, Collier County maintains it to
9 minus 8.5. And it actually is required to be
10 maintained almost on an annual basis just because of
11 what I previously stated, dynamics of the pass. The
12 sands shift there pretty much on a daily basis. So
13 they do maintenance dredge annually to minus 8.5.

14 As far as the Vanderbilt Channel goes, the County
15 maintains that to minus four. So it is maintained by
16 the County, and apparently -- and in our conversations
17 with Collier County staff, that only requires dredging
18 on a ten-year event. And once you get inside the pass,
19 you don't need to dredge as frequently as you do
20 Wiggins Pass.

21 So there is a maintained channel. And I can
22 assure you, if it were shoal the way that we heard
23 today, we would have 10,000 phone calls at the South
24 Florida Water Management District asking us what should
25 be done, because there are a lot of boats to the south

1 of this proposed marina. So obviously we disagree with

2 that.

3 This is a slow speed zone. I didn't reference
4 that before. I think that's important. And as the
5 individual, the fishing guide mentioned, the
6 predominant channel is on the west side. It's next to
7 the bulkhead. If we could see the overhead, let me
8 have one of the aerials before. And so people who will
9 be traveling to the north will actually be more on the
10 west side.

11 It is true that the 49 slips are proposed, and the
12 southern slip is just to the north of Bluebill Avenue.
13 But, again, the channel is on the west side. So it's
14 not like they're going to basically, once they get
15 beyond Bluebill, there will be boats right there. And
16 it is a slow wake speed. So we're not going to have
17 boats traveling at high speeds there.

18 Navigation, it's true that the channel is 80 to
19 100 feet, but we go by the channel, or the width of the
20 water body. The rules say that you can't extend more
21 than 25 percent the width of the water body. The water
22 body averages anywhere from about 190 feet to over 250
23 feet. I'm sorry?

24 MS. BAIN: 226 is the narrowest.

25 MR. BROWN: 226 is the narrowest, correct?

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1 MS. BAIN: Yes.

2 MR. BROWN: So this layout or configuration was to
3 always keep the boats within that 25 percent width of
4 the water body for navigation purposes. And, again, we
5 spent a great deal of time negotiating the

6 configuration of this marina for two reasons,
7 navigation and where seagrasses had previously been
8 seen.

9 And that was another issue that was raised. We
10 very rarely go to a site more than one time to inspect
11 seagrasses. And it's true, seagrasses come and go.
12 This site was inspected five times, twice by staff from
13 the South Florida Water Management District.

14 And, again, where we had seen seagrasses
15 previously, we're waterward of that point. I think we
16 have a cross-section, if we could take a look at this
17 one, Anita. If you look to the very right of this
18 cross-section, you will see where seagrasses have
19 previously been seen. So, again, we will be at least
20 four feet waterward of where they were at one time.
21 Again, they're not there right now.

22 And the riprap, the riprap is not required as part
23 of this docking facility. It's a plus. It's something
24 good. You can build this marina without riprap.
25 There's no reason to put riprap, lime rock boulders in

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1 there for any other purpose than for habitat or for
2 stability of the dredged area.

3 And, again, the cross-section, they're not
4 actually dredging four and a half feet. They're
5 dredging down to the minus 4.5. And we looked at this
6 material. This material is very low quality. That's
7 why we're not asking for lease fees. Most of this
8 material has come as a result of mistakes we've made

9 over the last 40 years to the south.

10 We have a lot of man-made canals. We have a lot
11 of runoff from facilities that don't have permits from
12 the District. So we're basically going to be cleaning
13 up some of those mistakes from the past by dredging
14 this low quality, poor material and getting it out of
15 Vanderbilt Channel, which we think is a good thing.

16 Do we have one on the dredging? I think one other
17 item was brought up about the dredging plan. Again,
18 all dredging will be done with a suction dredge. There
19 should be no concern for turbidity. That was the only
20 issue we really thought would be a potential problem
21 from a water quality standpoint, was turbidity.

22 And this is not an impaired water body. The
23 impaired water body is to the north and to the east.
24 This is an OFW. And the one concern we had was
25 turbidity. So we required the applicant to do suction

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1 dredging. They basically do a cutter head.

2 They'll be pumping the material -- if Anita can
3 show you. They'll be pumping it into a settling area
4 along Bluebill Avenue, and then they'll be returning
5 water only on incoming tides, which will -- just in
6 case there is any potential, because in an OFW you have
7 to meet ambient water quality.

8 You have to meet the turbidity that's right there.
9 So if the turbidity is five NTUs, which is a measure of
10 turbidity, you have to meet five. So there is no
11 tolerance for exceeding turbidity in the OFW.

12 But, again, we think this is a very good plan for

13 dredging. It will be pumped there and then it will be
14 hauled off site once the material has been allowed to
15 dry out and settle.

16 Just a couple of other things. There were a lot
17 of things they mentioned. But we think 49 slips is
18 good. There's lots of different formulas for boat
19 slips. The most restrictive criteria would have given
20 them approximately 96 slips. They're asking for 49.
21 If you look at the most restrictive criteria under the
22 Manatee Protection Plan, they could get 96 slips with
23 the amount of shoreline they have. They're asking for
24 49. I think that's an important point.

25 Another important point is the facility was

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1 actually originally designed because our governing
2 board has been delegated the authority to issue state
3 lands leases up to 49 slips. So it was actually going
4 to be reviewed by the South Florida Water Management
5 District, both the ERP and the sovereign submerged
6 side. But because of the heightened public awareness,
7 it was elevated to the Governor and Cabinet.

8 So it was originally designed to be basically an
9 entire consolidated permit packaged and approved by the
10 South Florida Water Management District.

11 That's pretty much everything I have, you know,
12 just trying to hit some of the points. If there are
13 any additional questions --

14 ATTORNEY GENERAL McCOLLUM: If I could ask a
15 question.

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GOVERNOR CRIST: General.

ATTORNEY GENERAL McCOLLUM: The boardwalk has already been approved, I understand, but it wouldn't be built, there wouldn't be any need for it if this dock were not built. Is that not true?

MR. BROWN: I guess, if the docking facility were not approved, I guess they could still build the boardwalk and come back in and modify the ERP to get some type of gazebo. I guess that's a possibility.

ATTORNEY GENERAL McCOLLUM: They could do it.

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MR. BROWN: Yes.

ATTORNEY GENERAL McCOLLUM: But of course the main purpose for it would have then gone away, I presume, at that point.

MR. BROWN: That's correct.

ATTORNEY GENERAL McCOLLUM: Do you have any study that shows how many owners of condominium sites in the Dunes actually currently own boats and use them, you know, some other means of getting their boat on the water than this dock?

MR. BROWN: No, sir, I don't. I don't know if the applicant, if they have any.

ATTORNEY GENERAL McCOLLUM: I was just curious.

MR. BROWN: I don't think we have any. I'm not sure.

ATTORNEY GENERAL McCOLLUM: And my understanding is that this area had been dredged years and years ago to make a channel to go onto other sites. This is not an undisturbed area completely, but it -- so you're

20 talking about stuff coming down that would be dredged
21 out of here that is not good material.

22 MR. BROWN: That's correct.

23 ATTORNEY GENERAL McCOLLUM: But there was an
24 original dredge there to begin with. It isn't a
25 completely undisturbed area, I presume.

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1 MR. BROWN: That's true, I think. As Mr. Lewis
2 said, I mean, this channel was, I think, constructed
3 back in the fifties.

4 ATTORNEY GENERAL McCOLLUM: The biggest issue to
5 me, it sounds like, is the disturbing of this very
6 natural mangrove that's there right now, more than
7 anything else, from what you've said. But thank you.
8 I appreciate that.

9 MR. BROWN: And just one point I'd like to add.
10 If you look at our drawing here, again, other than the
11 boardwalk and the crossing from the boardwalk to the
12 docking facility, the mangroves will not be impacted.
13 There will still be a view. I am aware that people do
14 not like looking at boats and the esthetics. But
15 esthetics are not part of Chapter 373.

16 ATTORNEY GENERAL McCOLLUM: No, I understand. But
17 there is an esthetic issue for the people who live
18 there.

19 MR. BROWN: Yes, absolutely, I understand that.

20 ATTORNEY GENERAL McCOLLUM: And there may be, who
21 knows what percentage of the 49 boats that we're adding
22 to this waterway. That's why I asked the question

23 about who already owns boats. A couple of the
24 witnesses today said they'd like to have boats, they're
25 looking forward to getting boats. So I think that we

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1 can assume that a certain percentage of those 49 will
2 be boats that otherwise wouldn't be acquired.

3 GOVERNOR CRIST: I was just curious, if I might,
4 Mr. Brown. It looks like on some of these photographs
5 that there are boat slips on the other side.

6 MR. BROWN: That's correct. There are some boat
7 slips along the retaining wall on the west side of the
8 channel. Again, I don't know if those have been
9 permitted. I know they haven't been permitted through
10 the District. Obviously they've been there for some
11 time.

12 But there are some boat slips, especially actually
13 toward the south, toward Bluebill Avenue, as well as an
14 upland boat basin, which obviously in 2007 that's not
15 something that we would want to see in front of us
16 right now. That's an old development. We wouldn't
17 approve something like that today.

18 GOVERNOR CRIST: So those on the other side enjoy
19 the opportunity to keep their boat closer to their
20 home.

21 MR. BROWN: I think it would be safe to say, yes.

22 GOVERNOR CRIST: I think so, too. Any other
23 questions?

24 CFO SINK: Yes, Governor.

25 GOVERNOR CRIST: Please.

1 CFO SINK: You've mentioned several compliance
2 issues having to do with the method of constructing the
3 docks and also the compliance issues around the length
4 of the boats, the draft of these boats, the seagrasses
5 going forward.

6 Who monitors all these compliance issues? It's
7 one thing to stand here and say it will be done this
8 way and the boats will be no longer than this. But
9 what's the enforcement mechanism?

10 MR. BROWN: Well, at South Florida Water
11 Management District we issue almost 2500 environmental
12 resource permits a year. We have a very large number
13 of compliance and enforcement staff. And we inspect
14 these. And the permit has conditions that require the
15 applicant to do certain things before they even start
16 the construction, such as identifying the waterward
17 edge of the seagrasses and putting buoys out there so
18 we know exactly where they are.

19 But it would be district staff located in both our
20 Collier County service center, as well as our Fort
21 Myers office. We have staff in both offices on the
22 lower west coast of Florida.

23 CFO SINK: And what about the seagrass issue? I
24 mean, there seems to be some debate about whether there
25 are or are not seagrasses there. But is there a way

1 for you to continue monitoring the seagrass issue, or

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is it not feasible?

MR. BROWN: Well, it wasn't part of the ERP. It basically, you know, identified where they had been at one time. And we didn't feel that they would be waterward of that point. We figured, if they do come back, which they might, that they would be in that location.

So that's why we set the docking facility waterward of where they were last known. But, again, they are required to go out and to delineate where they are, if there are any out there today, prior to any construction.

CFO SINK: I have just a couple more questions.

GOVERNOR CRIST: Certainly.

CFO SINK: I can't tell from this map that I have, but clearly there are a number of docks or boat docks southward of this location. Do you have any ballpark idea of how many boat dock facilities there are?

MR. BROWN: Anita told me 900, 900 to 1,000.

CFO SINK: Nine hundred to a thousand.

MR. BROWN: South of Bluebill Avenue.

CFO SINK: Okay. That's all I have for right now.

GOVERNOR CRIST: Commissioner.

COMMISSIONER BRONSON: Thank you, Governor. I've

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been following this, as all the presenters have been here, and there's two or three things that I've picked up on since I've looked at this. Number one, aerial photographs are great because what you can't see at water level and land level you can see from the air,

6 and anywhere in the state of Florida you want to
7 travel.

8 The turbidity of this area -- and there is natural
9 turbidity. You can tell by the way the sands have been
10 put up on these little island areas and dropped off,
11 and you can actually see it in the water as the picture
12 shows, which means there's going to be very little
13 chance that any major seagrass beds are going to form
14 in this whole area because it's changing so much, and
15 seagrass doesn't like that much change, if it's going
16 to develop itself. And I know enough about it to know
17 that much.

18 So I find that it's kind of odd that we're talking
19 about this. We know that the dredge is -- the dredge
20 is there. We know that the manatees will come up in
21 this area simply because they can get in there during
22 certain tides and so forth and they can use the area,
23 but it doesn't mean they're going to stay there. It
24 just means they use it from time to time.

25 The fact that there's a no-wake zone in this area

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1 that you're showing means that there should be
2 reasonable manatee protection if there's a no-wake
3 zone. Isn't that correct?

4 MR. BROWN: That is correct.

5 COMMISSIONER BRONSON: So really it doesn't look
6 like the manatees are in peril and it doesn't look like
7 the grasses are going to grow there. So the real
8 question is -- and isn't it also true that a good bit

9 of the mangroves that are in here are already being
10 protected under other protection plans?

11 MR. BROWN: That's correct, Commissioner. That is
12 correct.

13 COMMISSIONER BRONSON: And then there's going to
14 be no taking out of mangroves where these boat docks
15 would be?

16 MR. BROWN: Other than the construction of the
17 boardwalk to access, yes.

18 COMMISSIONER BRONSON: That go out to the --

19 MR. BROWN: Only that area will be impacted.

20 COMMISSIONER BRONSON: All right. Thank you.

21 GOVERNOR CRIST: Thank you, Commissioner. Any
22 other questions?

23 MR. BALLARD: Governor, Bill Hyde has a point of
24 clarification he'd like to present, if he may.

25 GOVERNOR CRIST: Sure, please, of course.

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1 MR. HYDE: This is, I think, the center piling of
2 the bridge up over Bluebill Road. And in the
3 background here you see the shoreline that we're trying
4 to protect and ask you to deny this application. This
5 is where the marina would go.

6 And it states here -- you probably can't see it on
7 this magnification, but it says, controlling depth,
8 three feet at mean low water through Water Turkey Bay
9 to Channel Marker 2. That's what the control depth is
10 there.

11 That control depth is not even being maintained,
12 as your own Fish and Wildlife Conservation Commission

13 people have noted in a recent communication, that there
14 is at least one spot where it's between 18 and 24
15 inches. And that is certainly a troublesome thing for
16 a boat with three-foot or three-and-a-half-foot draft,
17 no matter how you cut it. Thank you. That's the only
18 clarifying --

19 GOVERNOR CRIST: General?

20 ATTORNEY GENERAL McCOLLUM: Mr. Hyde, do you have
21 any idea, of these 900 other boats or whatever that are
22 all upstream -- and I know you didn't present this map,
23 but this is a map showing all the other homes that are
24 down here, and people have boats that come up this
25 channel that have drafts that are as great or greater

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1 than what they're proposing. Do we know what those
2 other drafts --

3 MR. HYDE: I have cruised around the area. I note
4 that there are some larger boats up there. I would say
5 the vast majority are small boats and probably can
6 safely traverse this area, especially if the
7 owner/navigator has local knowledge.

8 I would note that the deeper part of the channel
9 is on the western side of the lagoon, not on the
10 eastern side, where they propose to locate this. I do
11 note the earlier remarks, however, that there is going
12 to be kind of a blind spot for people transiting from
13 the south to the north as they come through this bridge
14 and encounter the operations that are occurring or
15 would occur with an installed marina.

16 ATTORNEY GENERAL McCOLLUM: But a certain number
17 of those boats that are already there further down at a
18 more densely populated area would have drafts as deep
19 or greater than this?

20 MR. HYDE: They could, but I don't think that's an
21 excuse to allow further degradation and impacts.
22 Certainly people do that. I think -- I know what
23 Commissioner Bronson just said, too. He almost implied
24 that, well, the seagrasses are inevitably going, so
25 let's not worry about them anymore. I think you do

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1 need to worry about them.

2 COMMISSIONER BRONSON: No, that's not what I said.

3 MR. HYDE: They are important. But they are
4 important to protect. They're an important marine
5 resource. And especially in a body where they have
6 been in decline, it's important that we not take any
7 steps to hasten their demise.

8 GOVERNOR CRIST: Anything else, Bob? Is there a
9 motion? I'll move it. Is there a second?

10 COMMISSIONER BRONSON: Second.

11 GOVERNOR CRIST: Moved and seconded. Any further
12 discussion?

13 CFO SINK: Governor, I am going to vote against
14 this for the same reason I voted against all the
15 others. I think the economics stink. And I think if
16 the economics had been better, and the developers
17 certainly know my feelings and you all do, too, that my
18 decision might have been different.

19 But to think that the State is only -- if this is
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20 approved, the State only stands to receive well less
21 than a million dollars from a project in which the
22 owner, the developers will see probably an eight to ten
23 million dollar profit at the minimum is not a good deal
24 for the State. So I am going to vote against it.

25 GOVERNOR CRIST: Okay. Thank you, CFO.

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1 ATTORNEY GENERAL McCOLLUM: Governor, there are
2 good arguments on both sides of this issue. In my
3 judgment, it's a very close call question. I'm going
4 to vote against it. I think in a case like this, I'm
5 going to vote for the conservation issue. I'm voting
6 no.

7 MR. BALLARD: Governor --

8 GOVERNOR CRIST: I think that's it. I think it
9 needs three.

10 MR. BALLARD: Well, actually, boy, I'm in a tough
11 situation here. I don't believe that the Governor can
12 move an item unless you give up the chair, with all due
13 respect.

14 GOVERNOR CRIST: I think it becomes moot.

15 COMMISSIONER BRONSON: Yeah, it's a moot point.

16 GOVERNOR CRIST: It doesn't matter anymore.

17 MR. BALLARD: Okay.

18 GOVERNOR CRIST: We only have two votes.

19 MR. BALLARD: Well, I think, it's my understanding
20 that if the governor -- if it's a two/two tie and the
21 Governor is on the -- it's not? I'm sorry. Governor,
22 you are absolutely right, and it's a moot point.

23 GOVERNOR CRIST: Wrong on one thing, right on the
24 other.

25 MR. BALLARD: Okay. I stand corrected.

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1 GOVERNOR CRIST: Thank you, Bob, very much,
2 appreciate it.

3 MR. BALLARD: Item 4.

4 GOVERNOR CRIST: Yes, sir.

5 MR. BALLARD: Governor, we are requesting a
6 deferral of this item.

7 GOVERNOR CRIST: I'd like to thank all of you for
8 coming and speaking today. We appreciate your
9 presence.

10 MR. BALLARD: We are requesting a deferral for
11 Item 4. Secretary Sole has asked that he be able to
12 present that item personally, and he would ask that you
13 would defer this item until November 14th.

14 GOVERNOR CRIST: Is there a motion to defer Item
15 4?

16 COMMISSIONER BRONSON: Motion.

17 CFO SINK: Second.

18 GOVERNOR CRIST: Moved and seconded. Show it
19 deferred without objection.

20 MR. BALLARD: Thank you, sir.

21 GOVERNOR CRIST: Thank you, Bob.

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1 GOVERNOR CRIST: State Board of Administration.

2 CFO SINK: Governor, I have -- I would like to ask
3 Mr. Bronson if he would stick around because I'm just
4 very briefly going to talk about the proposal about the
5 Cat Fund, if we're prepared.

6 GOVERNOR CRIST: Do you want to begin with that?
7 Whatever your pleasure. Coleman, if you don't mind
8 sticking around.

9 CFO SINK: Let's go ahead and have that
10 presentation so the Commissioner can go ahead and
11 excuse himself.

12 GOVERNOR CRIST: Good morning, Jack.

13 MR. NICHOLSON: Good morning. Good morning,
14 Governor and Cabinet.

15 GOVERNOR CRIST: This is a discussion item?

16 MR. NICHOLSON: Yes, sir. He's going to hand me
17 the keyboard so I can drive. I've been asked by CFO
18 Sink to talk about CFO Sink's proposal regarding the
19 Florida Hurricane Catastrophe Fund, some reform
20 legislation. And I've worked closely with her staff in
21 helping draft the legislation and developing some
22 ideas.

23 First of all, I'd like to summarize the
24 legislation and point out a few details here. The
25 first thing that it does is reorganize the Florida

1 Hurricane Catastrophe Fund to report to a board which

2 would consist of the Governor and the Cabinet.

3 There would be basically a division of the Florida
4 Hurricane Catastrophe Fund that would be similar to the
5 Division of Bond Finance. We'd be set up very similar
6 to that. There would be a director that would be
7 appointed by the board.

8 The second element is that the division or the Cat
9 Fund would make a recommendation to the board
10 regarding -- or based upon the capacity and pricing in
11 the private reinsurance market as well as the
12 feasibility and risk associated with bonding in the
13 financial markets, as to what optional coverages --

14 GOVERNOR CRIST: Jack, would you excuse me for
15 just a moment?

16 MR. NICHOLSON: Yes, sir.

17 GOVERNOR CRIST: We have a special guest that has
18 joined our Cabinet meeting. Our great Senate president
19 Ken Pruitt is with us. Mr. President, it's great to
20 have you here. Thank you very much.

21 MR. PRUITT: Thank you.

22 GOVERNOR CRIST: Did you want to speak or address
23 anything?

24 MR. PRUITT: No.

25 GOVERNOR CRIST: Okay. Thank you, sir. I'm

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1 sorry. Forgive me.

2 MR. NICHOLSON: The division of the Florida
3 Hurricane Catastrophe Fund would make a recommendation
4 to the board based upon the capacity and pricing in the
5 private reinsurance markets as well as the risk and the

6 feasibility associated with financing bond transactions
7 in the capital markets.

8 The board would then determine what optional
9 coverages to offer as well as the limits of those
10 coverages, as well as the pricing of those coverages,
11 subject to certain statutory constraints. For example,
12 the limits could not be higher than provided in the
13 current statute, the retentions or deductibles could
14 not be lower, and the pricing could not be lower.

15 There would be a deadline of February the 15th
16 each year for the board to make a decision with regard
17 to optional coverages and their specifications. If for
18 some reason there were some unusual circumstances in
19 the markets that affected that decision, the board
20 could revisit that decision no later than April 1st.

21 And then what would be allowed is that the
22 insurance companies, property insurance companies would
23 have the option of purchasing coverage from the Cat
24 Fund or from the private markets.

25 Looking at the objectives of the legislation,

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1 there are several objectives. One would be to allow
2 insurance companies to purchase coverage well in
3 advance of the hurricane season. This would allow them
4 to negotiate their pricing with private reinsurance on
5 a much more favorable basis by knowing well in advance
6 what their Cat Fund coverage would be.

7 Secondly, it would allow the Governor and the
8 Cabinet to help determine the best price levels, given

9 the capacity and pricing in the private market,
10 balanced against some large loss potential and the risk
11 of bond transactions associated with that type of
12 financing.

13 Thirdly, the price of the Cat Fund optional
14 coverages would be competitive based upon the private
15 markets. If the private markets decided to compete
16 with the Cat Fund at these price levels, then risk
17 would be transferred to the private market, and that
18 would be the -- an objective.

19 Another objective would be to stabilize and
20 provide greater certainty in the property insurance
21 market by reacting to the market conditions on a timely
22 basis, so the Governor and the Cabinet would be able to
23 react quicker as opposed to the Legislature, you know,
24 waiting until March or during the legislative session,
25 passing the legislation and then it becoming a law

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1 shortly before the hurricane season begins. And it
2 would also limit the amount of bonding and potential
3 assessments on Florida policyholders.

4 So those are the overall objectives and kind of a
5 summary of the legislation. I have a few slides. I've
6 already highlighted most of these things, so I'd like
7 to just kind of go straight to slide eight, which is
8 just the basic structure of the Cat Fund, to kind of
9 talk about what the optional coverages are and what
10 decisions would be made in this context.

11 This chart represents the basic structure of the
12 Cat Fund. You have a deductible, if you will. We

13 refer to that in insurance as retention. So a
14 deductible that insurance companies would pay. Then
15 they would be required to have a copay. Generally, if
16 they choose 90 percent coverage in the Cat Fund,
17 there's a 10 percent copay that they have to pay out of
18 their own pocket. And then there's a certain amount of
19 limit that the Cat Fund would reimburse companies up to
20 that limit.

21 So that's the basic structure. Note that the
22 underlying deductible will change each year as the
23 exposure in the state grows. So if you imagine the
24 state growing, the Cat Fund also grows, the top and the
25 bottom.

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1 The top is a little bit constrained because it
2 cannot grow any greater than the buildup of cash in the
3 fund. So there are years when you have losses that it
4 won't grow. Like in '04 and '05 it stayed the same.

5 So in effect, bringing in this chart graphic, it
6 shows the cash building up, and the overall limit of
7 coverage is offset, you have -- made up of both the
8 cash and the bonding capacity. So as cash is built up
9 over time, the bonding is less and less. So if we have
10 a few good years of no hurricanes, the opportunity to
11 build up cash will help out and reduce the amount of
12 bonding.

13 So that's the basic structure. If I put numbers
14 to it today, you know, what does it look like? And
15 this is just the mandatory layer of coverage, so this

16 chart nine illustrates what the numbers are. We're
17 looking at a little over \$2 billion in cash this year.

18 I want to go next to chart ten, which here I want
19 to discuss the optional coverages that are available,
20 and current law, and this is what this proposal would
21 impact. There is the ability to buy coverage above the
22 mandatory limit of coverage in the Cat Fund. And here
23 I bring in the first limit is \$12 billion. Insurance
24 companies can actually buy their share of that \$12
25 billion to increase their coverage. And certainly

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1 that's exactly what was done this year. And I'll show
2 you later a chart that represents what the actual
3 coverages were.

4 The SBA has the option currently to boost this 12
5 billion by another \$4 billion on top of that. So
6 that's \$16 billion on top of the mandatory layer of
7 coverage that exists today.

8 Below the Cat Fund there's a way to drop down the
9 deductible, if you will. And that's illustrated by
10 this next graphic that came in. It's referred to as
11 the temporary emergency additional coverage option, or
12 TEACO coverage, if you will. But that basically allows
13 a company to half its deductible basically, cut its
14 deductible in half with regard to Cat Fund coverages.

15 So those are the -- one is going up, two is coming
16 down. The third option would be for certain companies,
17 certain small, limited apportionment companies as well
18 as certain companies that participate in the Insurance
19 Capital Buildup Incentive Program, have the option to

20 buy up to \$10 million of additional coverage from the
21 Cat Fund.

22 And that is illustrated by this little block below
23 the retention, because their deductible can be as low
24 as a third of their surplus. So if a company had
25 surplus of \$5 million, a third of that could represent

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1 three houses, you know, amount of loss associated with
2 that before it triggered the Cat Fund.

3 So those are the three coverages. I'm going to
4 use the acronym TICL, which is temporary increase in
5 coverage limit, for the upper two layers of coverage.
6 There's the TEACO, or the temporary emergency
7 additional coverage option, for the lower level, and
8 then the \$10 million option for the smaller companies
9 to purchase there.

10 Those coverages are priced very affordable at the
11 top of the Cat Fund. As a matter of fact, it's what we
12 call pure premium. It's just losses that we're pricing
13 for, as well as a minimal amount of expenses. We don't
14 include risk charges or loads like a private reinsurer
15 would. So the entire top layer is priced at about 2.2
16 cents for every hundred dollars.

17 The main layer of the Cat Fund, the mandatory
18 coverage, is about \$6.20 per hundred dollars. But then
19 when you get down below the Cat Fund, since the
20 probabilities of those events are pretty high and the
21 coverage below the Cat Fund was priced by the
22 Legislature high so that it would be discouraged

23 because of the probabilities and the amount of capacity
24 that would be utilized, it's priced at as high as 85
25 cents on the dollar.

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1 The coverage for the \$10 million option is 50
2 cents on the dollar. And this year there were the same
3 number of companies that purchased that last year,
4 about 32, 30 companies that purchased coverage in that
5 layer.

6 This chart is getting a little messy now because
7 I'm adding some probabilities. But this illustrates
8 the probability of triggering each of these types of
9 events, each of these events.

10 The next chart actually shows what happened in
11 2007. This is the actual coverage that was selected.
12 We had -- of the top layer, the whole 12 billion was
13 not selected. The 11.4 was selected. None of the
14 TEACO coverage below the Cat Fund was selected, but yet
15 \$577 million of coverage was offered for companies that
16 purchased the \$10 million option.

17 That adds up to a total capacity of 27.83 billion.
18 A little over 2 billion is cash. So the amount of
19 bonding required would be 25.7 billion this year, if we
20 had a total blowout of the Cat Fund.

21 The premiums associated with these layers, I just
22 brought that in on this chart, shows that the top layer
23 was about \$242 million. The mandatory layer of
24 coverage was 945 million. And then the companies that
25 bought at the bottom, the \$10 million option, was

1 \$139 million of coverage, or for the premium.

2 GOVERNOR CRIST: Jack, can I ask you a question?

3 CFO SINK: Jack, yeah, I'm going to jump in here.
4 Go ahead, Governor.

5 GOVERNOR CRIST: Just quickly. I'm sorry, CFO.
6 But I thought I just heard you say there was 25 billion
7 total in the Cat Fund, in '07.

8 MR. NICHOLSON: In terms of bonding. The total
9 capacity was 27.8 billion.

10 GOVERNOR CRIST: 27.8?

11 MR. NICHOLSON: Yes, sir. And 2 billion of that
12 represents cash.

13 GOVERNOR CRIST: Okay. So it's about 28 total.
14 Okay, thanks. CFO, I'm sorry.

15 CFO SINK: Jack, I was just going to jump in here
16 because I know that we're running late and we have some
17 time issues. I just wanted to mention, Governor and
18 Cabinet members, that the reason this concept is being
19 presented is because, like you, Governor, I'm tired of
20 hearing these insurance companies say that, well, you
21 know, by the time the Cat Fund was established and we
22 passed the legislation last May, we had already bought
23 our reinsurance.

24 And so in going back and kind of researching when
25 these companies make their buying decisions for

1 reinsurance, it's generally earlier. It's either in

2 kind of the January time frame or some companies are
3 actually purchasing in June.

4 So we here in Florida are really about six months
5 off cycle. And because of when our Legislature meets
6 in March and April of every year, it's just too late
7 into the season.

8 GOVERNOR CRIST: Unless it's like this year. Then
9 it's all year.

10 CFO SINK: Right. Knock on wood. We've still got
11 four weeks to go. But it's too late into the season.
12 And so it occurred to me that if we could -- the
13 Legislature, rightfully so, has established what the
14 structure and the limits are of the program.

15 But if we were able to be more nimble and more
16 quick and more flexible about the amount and the
17 pricing that we offer, we would need to do that like
18 now, like in the fall of the year. And the only
19 elected body that meets is us as the Cabinet. And, of
20 course, we're sitting here anyway doing all the SBA
21 work and the Bond Finance work.

22 And I think in some years there's more capacity in
23 the reinsurance, global reinsurance market than there
24 is in others. For example, after the 2005 storms,
25 policymakers knew that there was going to be not very

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1 much capacity in the reinsurance, global reinsurance
2 market, and therefore that was going to cause rates to
3 just skyrocket, and that's what we saw in 2006.

4 And if we had a mechanism like this in place where
5 we were able to know that the markets are going to be

6 really tight and there was bad psychology out there, we
7 could have -- like the Federal Reserve, we could have
8 put more of our Cat Fund capacity at risk and perhaps
9 been able to stabilize those huge price increases that
10 our home owners saw.

11 And, likewise, we're sitting here today, you know,
12 they've all -- we took two and a half billion of
13 premium off the table last year. The reinsurance
14 companies got mad about it because we cut into their
15 profits, so they're looking for more business.

16 And if we're able -- we might be able to take part
17 of our 28 billion in exposure that we have now off the
18 table and lay it back off into the global markets, and
19 at the same time look at what it might do to today's
20 premiums, then that potentially saves us enormous
21 amounts of -- and I would encourage you all to look at
22 what the assessments -- if we do have a big storm, you
23 know, the \$28 billion storm, number one, we'd have to
24 go out and bond, and we don't know what the capacity of
25 the bond market is. And, number two, the assessments

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1 are a billion eight per year for 30 years.

2 So that's the number that I wake up worrying about
3 every morning. And I just think this is a proposal
4 that bears consideration. And I've talked to Senator
5 Pruitt about it and Speaker Rubio, and they're
6 interested in it.

7 Unfortunately, now, of course, the Legislature is
8 concerned about, as they should be, about the property

9 tax issue. And I don't know if there's even a
10 possibility to get it done this fall. It would be --
11 I'd love not to have to wake up and worry about \$28
12 billion all of next year. But certainly we'll pursue
13 it more in the regular session.

14 That's kind of just a summary of why this is here
15 and why I'm volunteering the four of us to take a
16 little bit more responsibility in how we manage this
17 risk of the State.

18 GOVERNOR CRIST: Thank you. Thank you very much,
19 CFO. Commissioner, did you have a comment?

20 COMMISSIONER BRONSON: Yes, Governor, and I
21 realize I'm not a member of the Bond Finance as far as
22 voting on those issues. I don't want to be -- I want
23 to make sure I'm not putting myself in a position of
24 ordering the pizza and then not being able to be here
25 to vote on when the money comes to pay for it.

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1 CFO SINK: Well, we are -- you sit as a member of
2 the Division of Bond Finance.

3 COMMISSIONER BRONSON: Yes.

4 CFO SINK: The proposal as it stands is that the
5 Cat Fund would be just like Bond Finance.

6 COMMISSIONER BRONSON: Well, that was one thing
7 that concerned me in the process. The other one is,
8 with all the issues that are involved legislatively,
9 and the Legislature has enough -- has a very tough time
10 even trying to come up with the money to do a lot of
11 stuff with. As we know, we had to cut some money out
12 of this --

13 GOVERNOR CRIST: We had to -- they had to reduce
14 some increases.

15 COMMISSIONER BRONSON: Yes. Well, and that's a
16 good way to put it.

17 GOVERNOR CRIST: That's the truth.

18 COMMISSIONER BRONSON: The fact of the matter is,
19 should we get in -- and, Lord, protect us from getting
20 in that position. But if we were to get into a
21 position we were in in '4 and '5 where this thing is --
22 it's not a matter of can you, it's you're going to have
23 to come up with a way to make sure that bond, whatever
24 we're going to use as our way of making sure that thing
25 is going to get paid for, that comes at a price, too.

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1 And so I'm concerned. I'd like to take a real
2 strong look at this, since I'm not a part of the
3 bond -- as far as the committee goes, the SBA goes, yes
4 -- that I'd take a strong look at that. I'm kind of in
5 flux right now because I want to get a full concept of
6 what this really means.

7 And I just -- I haven't delved in it that much to
8 know how we play off on us making those bonds good and
9 good faith effort, because somebody has got to pay for
10 it. There is no such thing as a free lunch. I found
11 that out a long time ago. There are people that
12 luckily have a free lunch when they need it, but
13 somebody paid for it. And I want to make sure we're in
14 the right position on that, if this ever happens to us
15 again.

16 GOVERNOR CRIST: Thank you, Commissioner.
17 General.

18 ATTORNEY GENERAL McCOLLUM: Governor, I think that
19 the CFO has come up with a good idea in principle. I
20 think we do need some flexibility. Of course, the
21 Legislature has got to decide that's what they want to
22 yield, if they do want to yield that.

23 GOVERNOR CRIST: It's their purview.

24 ATTORNEY GENERAL McCOLLUM: I'm hearing in
25 Commissioner Bronson's tone of voice and concern,

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1 probably the absence of being on the SBA, it's the only
2 thing we sit on up here that you don't right now, and I
3 don't know if CFO Sink has thought that through, why
4 all four of us, maybe only the three of us ought to be
5 doing it if you're not comfortable with it. I don't
6 know.

7 But I think it's a pretty good idea, and I would
8 be happy to do it either way, either the whole Cabinet
9 doing it or if it's not something you think the
10 Commissioner ought to do, I think you ought to look at
11 it, because of not being on the SBA routinely for other
12 things, then I'd understand that, too.

13 But I think it in principle is a good idea. I
14 think it ought to be advanced and it -- we need some
15 flexibility. And if not the whole Cabinet, the SBA
16 ought to do it.

17 GOVERNOR CRIST: Thank you. CFO, I want to thank
18 you, too, and I want to applaud your innovative
19 thinking outside the box on these things. And we need

20 to always continue to review how we do things for the
21 people of the state of Florida.

22 And I'm encouraged to have an opportunity to
23 review it in greater detail and consult with our
24 friends in the Florida Senate and the Florida House to
25 see what their point of view is. But I want to thank

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1 you for bringing it to our attention today.

2 CFO SINK: Thank you, Governor. Appreciate it.

3 GOVERNOR CRIST: Thank you, ma'am.

4 CFO SINK: And I want to thank Jack. He's done an
5 enormous amount of work on this, and we've gotten a lot
6 of interest from all parties. Thank you, Jack.

7 GOVERNOR CRIST: Thank you. We still have our
8 Senate president here. Is there anything you'd like to
9 say, Mr. President? Okay. Thank you, my friend.
10 Coleman.

11 MR. STIPANOVICH: Governor.

12 GOVERNOR CRIST: Yes, sir.

13 MR. STIPANOVICH: Agenda Item Number 1 is request
14 for approval of the minutes of the October 2nd, 2007
15 meeting.

16 CFO SINK: Move it.

17 ATTORNEY GENERAL McCOLLUM: So moved.

18 GOVERNOR CRIST: Moved and --

19 CFO SINK: Second.

20 GOVERNOR CRIST: Moved and seconded. Show the
21 minutes approved without objection.

22 MR. STIPANOVICH: Agenda Item Number 2 is request

23 for approval of fiscal sufficiency of amount not
24 exceeding 100 million State of Florida, Department of
25 Environmental Protection Everglades Restoration Revenue

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1 Bonds.

2 GOVERNOR CRIST: Is there a motion?

3 CFO SINK: I move it.

4 ATTORNEY GENERAL McCOLLUM: Second.

5 GOVERNOR CRIST: Moved and seconded. Show Item 2
6 approved without objection.

7 MR. STIPANOVICH: Item Number 3 is request
8 approval of fiscal determination of amount not
9 exceeding 4,750,000 Tax-Exempt Florida Housing Finance
10 Corporation Multifamily Mortgage Revenue Bonds.

11 ATTORNEY GENERAL McCOLLUM: Approve it -- move it.

12 CFO SINK: Second.

13 GOVERNOR CRIST: Moved and seconded. Show Item 3
14 approved without objection.

15 MR. STIPANOVICH: Item 4 is request for approval
16 of fiscal determination of amount not exceeding
17 2,130,000 Tax-Exempt Florida Housing Finance
18 Corporation Multifamily Mortgage Revenue Bonds.

19 GOVERNOR CRIST: Is there a motion on Item 4?

20 CFO SINK: Move it.

21 ATTORNEY GENERAL McCOLLUM: Second.

22 GOVERNOR CRIST: Moved and seconded. Show it
23 approved without objection.

24 MR. STIPANOVICH: Governor, members, that
25 completes my agenda.

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GOVERNOR CRIST: Thank you very much. We are
adjourned.
(Whereupon, the proceeding was concluded at 11:20
a. m.)

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CERTIFICATE OF REPORTER

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4 STATE OF FLORIDA)

5 COUNTY OF LEON)

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I, Jo Langston, Registered Professional Reporter,
do hereby certify that the foregoing pages 5 through 99,
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the proceeding; that said proceeding was taken by me
stenographically and transcribed by me as it now appears;
that I am not a relative or employee or attorney or counsel
of the parties, or a relative or employee of such attorney
or counsel, nor am I interested in this proceeding or its
outcome.

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IN WITNESS WHEREOF, I have hereunto set my hand
this 1st day of November 2007.

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JO LANGSTON
Registered Professional Reporter

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