

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, INSURANCE REGULATION
DEPARTMENT OF VETERANS' AFFAIRS
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
BOARD OF TRUSTEES OF THE 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, March 9, 2010,
commencing at approximately 9:10 a.m.

Reported by:

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Florida Professional Reporter
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APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer

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I N D E X

PAROLE QUALIFICATIONS COMMITTEE

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(Presented by BEN WATKINS)

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P R O C E E D I N G S

(The agenda items commenced at 9:25 a.m.)

GOVERNOR CRIST: Today we need to appoint a Parole Qualifications Committee to consider applications for a vacancy on the Parole Commission that will occur this June. The following individuals have agreed to be reappointed to the committee: James McDonough, who has also agreed to serve as chair, Sheriff Grady Judd, former State Attorney Jerry Blair, Sheriff Jim Coats, Bishop Hollifield.

Is there a motion to appoint these individuals to serve on the committee with James McDonough as the chair?

ATTORNEY GENERAL McCOLLUM: I so move.

COMMISSIONER BRONSON: Second.

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

1 GOVERNOR CRIST: Our next Cabinet meeting will
2 be Tuesday, March 23rd, beginning at 2:00 p.m. I
3 wonder why.

4 Division of Bond Finance, Ben Watkins.

5 MR. WATKINS: Good morning, Governor and
6 Cabinet members.

7 GOVERNOR CRIST: Boy, you're already there.
8 That was quick.

9 MR. WATKINS: I was ready this time, Governor.

10 GOVERNOR CRIST: You're always ready.

11 MR. WATKINS: Item Number 1 is the minutes of
12 the January 26th meeting.

13 CFO SINK: Move it.

14 COMMISSIONER BRONSON: Second.

15 GOVERNOR CRIST: Moved and seconded. Show the
16 minutes approved without objection.

17 MR. WATKINS: Item Number 2 is a resolution
18 authorizing the competitive or negotiated sale of
19 up to \$200 million in PECO bonds.

20 ATTORNEY GENERAL McCOLLUM: I move it.

21 CFO SINK: Second.

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

24 MR. WATKINS: Item Number 3 is resolution
25 authorizing the competitive or negotiated sale of

1 up to \$280 million in revenue bonds for
2 improvements to Florida's Turnpike.

3 GOVERNOR CRIST: Is there a motion?

4 CFO SINK: Move it.

5 COMMISSIONER BRONSON: Second.

6 ATTORNEY GENERAL McCOLLUM: Second.

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

9 MR. WATKINS: Item Number 4 is a report of
10 award on the competitive sale of \$250 million of
11 PECO bonds. The bonds are broken into two separate
12 series, a series of tax-exempt bonds and a series
13 of taxable Build America bonds.

14 The \$45.8 million of tax-exempt bonds were
15 sold to the low bidder at true interest cost rate
16 of 2.3396 percent, and the taxable Build America
17 bonds in the amount of \$204.1 million were sold to
18 the low bidder at a true interest cost of
19 3.7429 percent net of the 35 percent subsidy
20 received from the federal government. When you
21 combine these two issues, because it really is one
22 financing, the interest rate on the overall loan is
23 3.64 percent.

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

25 CFO SINK: Move it.

1 COMMISSIONER BRONSON: Second.

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

4 MR. WATKINS: Item 5 is a report of award on
5 the competitive sale of \$14,995,000 in parking
6 facility revenue bonds for the University of
7 Central Florida. Again, you have two separate
8 series, a tax-exempt series and a taxable Build
9 America bond series.

10 The \$3.9 million of tax-exempt bonds were
11 awarded to the low bidder at a true interest cost
12 of 2.1296 percent, and the \$11.1 million of taxable
13 Build America bonds were awarded to the low bidder
14 at a net true interest cost of 3.7421 percent.
15 Combining the tax-exempt bonds and the taxable
16 Build America bonds, the overall interest rate on
17 this financing is 3.57 percent.

18 ATTORNEY GENERAL McCOLLUM: I move approval of
19 Item 5.

20 COMMISSIONER BRONSON: Second.

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

23 MR. WATKINS: And lastly, Item 6 is a report
24 of award on the competitive sale of \$96,730,000 of
25 revenue bonds for the Inland Protection Finance

1 Corporation in order to clean up leaking
2 underground storage tanks. Again, the structure of
3 the transaction involved both tax-exempt bonds as
4 well as taxable Build America bonds.

5 The tax-exempt bonds were awarded to the low
6 bidder at a true interest cost of 1.9094 percent,
7 and the taxable Build America bonds were awarded to
8 the low bidder at a true interest cost of
9 3.36 percent. Combining the tax-exempt bonds with
10 the taxable Build America bonds, it results in an
11 overall financing cost of 3.07 percent.

12 GOVERNOR CRIST: Is there a motion on Item 6?

13 CFO SINK: Move it.

14 ATTORNEY GENERAL McCOLLUM: Second.

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

17 MR. WATKINS: Thank you, sir.

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1 GOVERNOR CRIST: Office of Insurance
2 Regulation, Deputy Commissioner Belinda Miller.
3 Hi, Belinda. Please extend our condolences to
4 Commissioner McCarty.

5 MS. MILLER: Thank you, Governor.

6 Members of the Financial Services Commission,
7 I apologize for Kevin McCarty not being able to be
8 here today, but his father died, and he's helping
9 his mother take care of some things today.

10 The first item on the agenda is the approval
11 of the minutes from the January 26th meeting.

12 COMMISSIONER BRONSON: Motion for approval of
13 Item 1.

14 ATTORNEY GENERAL McCOLLUM: Second.

15 GOVERNOR CRIST: Moved and seconded. Show the
16 minutes approved without objection.

17 MS. MILLER: Item 2 is a request for approval
18 for adoption of the amendments to proposed Rule
19 690-170.0155. This is the mitigation discount rule
20 that establishes the form that inspectors use to
21 help people identify the features of their home
22 that qualify them for a hurricane mitigation
23 discount for having wind-resistant features.

24 And some of the features of this form that I
25 think you would be most interested in are designed

1 prevent or help detect fraud, or even just to
2 prevent mistakes, and those include -- the form
3 requires signature by both the homeowner and the
4 fraud inspector and the licensed engineer,
5 architect, or contractor who is responsible for the
6 inspector. The homeowner is just signing that the
7 person was at their house and really did an
8 inspection. They're not swearing to the hurricane
9 clips in the attic, but the other signatories are
10 attesting to the accuracy of the form.

11 The form now requires photographs, digital
12 photographs to go with it so that insurance
13 companies can review these as part of their
14 underwriting guidelines and potentially detect --
15 we had one case, for example, where an insurance
16 company was getting literally photocopies of the
17 same form for most of an agency's book of business.
18 So this will make it harder to commit fraud or to
19 misrepresent the features on the property.

20 At the bottom of each page, likewise, it
21 requires for the inspector or the homeowner to put
22 the address. And that seems very simple, and it's
23 not a big change, but that goes to the practice of
24 photocopying forms and using them more than once.

25 And this form has been through a series of

1 workshops. We've had a lot of public comment on
2 it. We would anticipate that we will have a
3 continuing improvement process for this form, but
4 we think this is a big step over the current form
5 and will help tremendously.

6 We recommend that you adopt it.

7 GOVERNOR CRIST: General.

8 ATTORNEY GENERAL McCOLLUM: I just want to
9 commend the agency on doing this. I think the
10 Commissioner and you have done a great job, your
11 team, with this form. I realize it is painful to
12 go through that process, but fraud is definitely
13 out there in this world, especially dealing with
14 things in the windstorm area. So I've looked at
15 it, and I think it's a good form. I don't know how
16 much more perfection you're going to get on it, but
17 I congratulate you on it, and I move Item 2.

18 CFO SINK: Second.

19 COMMISSIONER BRONSON: Second.

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

22 MS. MILLER: Thank you. Item 3 is a little
23 bit of a companion to that. This is a request for
24 approval for adoption of amendments to proposed
25 Rule 690-170.0155, Form OIR-B1-1655. And this is

1 just a form that insurance companies give their
2 customers at the beginning of the policy to tell
3 them, you know, if you put on shutters and you
4 improve your roof tie-downs and you cover your
5 garage door and your openings with wind-resistant
6 coverings, this is how much you can save. It's
7 required for the insurance companies to give their
8 customers, and it just takes out obsolete language
9 from the old form.

10 CFO SINK: Move it.

11 COMMISSIONER BRONSON: Second.

12 GOVERNOR CRIST: Moved and seconded. Show it
13 approved without objection. Thank you, Belinda.

14 MS. MILLER: Thank you.

15 CFO SINK: Governor, could I --

16 GOVERNOR CRIST: CFO, of course.

17 CFO SINK: Excuse me. While Belinda is still
18 up there, I have hand delivered a letter this
19 morning, Belinda, for you to pass over to
20 Commissioner McCarty. And it's just a request
21 that, if you would pass it along to him, please,
22 Governor, that at our next Cabinet meeting that
23 Commissioner McCarty come and be prepared to
24 discuss with us issues that we've been reading and
25 hearing surrounding the financial state of our

1 Florida domestic insurance industry. I think it's
2 something that we ought to -- all four of us ought
3 to hear sitting as the Financial Services
4 Commission.

5 MS. MILLER: I understand. And if I may, sir,
6 CFO Sink, the companies report quarterly, and so we
7 just received the March 1st report. That is the
8 end of the year 2009 results, and we'll be glad to
9 give you those results. Some companies are
10 actually better than what you saw the third
11 quarter, so that's good, and we'll be glad to keep
12 you up to date.

13 I think some of those news articles have been
14 misleading, quite frankly. Some of them are just
15 inaccurate. We've seen one that said we had six
16 insolvencies last year. I don't know how they
17 counted that. We had two property insolvencies,
18 and both were small. And quite frankly, one of
19 them is still in rehab and has a positive surplus,
20 and your office is successfully running it off.

21 So I'm not sure where all this information is
22 coming from, but it's not all accurate. So we
23 would actually appreciate the opportunity to give
24 you an update and give you some accurate
25 information on that.

1 CFO SINK: Great.

2 COMMISSIONER BRONSON: Governor, if I could --

3 GOVERNOR CRIST: Commissioner.

4 COMMISSIONER BRONSON: Also, I would like to
5 -- you know, if we're going to compare how well the
6 private industry is in the insurance situation here
7 in the State of Florida, since all of us have to
8 buy insurance and need insurance, and sometimes
9 it's mandated by law if it's car insurance, but I
10 would like to also compare to see how Citizens is
11 doing compared to all the other private companies.

12 Are we in any better shape than the private
13 companies are? Can we pay off any better or any
14 more frequently than private industry is paying
15 based on all of the ins and outs of the insurance
16 world? And since insurance is all based on risk,
17 you know, sometimes we get into -- when you're in
18 high-risk, you pay higher prices. I mean, I don't
19 see how you can do it otherwise and still be able
20 to pay off on the claims. So I would like to know
21 in comparison how we are in Citizens as well.

22 MS. MILLER: Actually, if I may, Governor.

23 GOVERNOR CRIST: You may.

24 MS. MILLER: Citizens reported a surplus of
25 \$3.9 billion at the year-end, and it had an

1 underwriting gain last year of \$789 million. So it
2 looks relatively good. And over prior years, it
3 has been able to build up some surplus. But I'm
4 sure that Citizens could provide significantly more
5 detail, and we could as well, and we'll be happy to
6 do that.

7 COMMISSIONER BRONSON: Well, I guess my only
8 comment to that -- and I'm glad to hear they're
9 doing that well. But when it comes down to a major
10 disaster and all the people start putting in their
11 claims, where are we on the payoff scale compared
12 to private industry? I would just like to get a
13 good picture of where we are with both.

14 MS. MILLER: We'll be glad to prepare that.
15 Thank you.

16 GOVERNOR CRIST: Thank you very much.

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1 GOVERNOR CRIST: Department of Veterans'
2 Affairs, Admiral Leroy Collins. Good morning,
3 Admiral.

4 ADMIRAL COLLINS: Good morning, Governor and
5 Cabinet.

6 The Florida Department of Veterans' Affairs
7 has three items on the agenda. Item Number 1, the
8 minutes of the meeting of November 17th, we
9 recommend approval.

10 ATTORNEY GENERAL McCOLLUM: Move it.

11 COMMISSIONER BRONSON: Second.

12 GOVERNOR CRIST: Moved and seconded. Show the
13 minutes approved without objection.

14 ADMIRAL COLLINS: Item Number 2 is the
15 quarterly report for the period ending December 31,
16 2009. This report covers our operational units.
17 The reported information is as expected. Unless
18 there are any questions, we recommend acceptance.

19 GOVERNOR CRIST: Is there a motion to accept
20 the quarterly report?

21 CFO SINK: Move it.

22 COMMISSIONER BRONSON: Second.

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

25 ADMIRAL COLLINS: Item Number 3 is an

1 informational item. It is related to an initiative
2 by the CFO and coordinating with the Florida
3 Department of Highway Safety and Motor Vehicles and
4 the Florida Department of Veterans' Affairs to
5 identify Florida veterans in the future by asking
6 them to complete a newly created field on their
7 driver's license renewal application. In your
8 Cabinet meeting material, you should have a
9 one-page overview of the initiative.

10 There could be a significant number of
11 veterans who are eligible for benefits as a result
12 of their service, and they do not know they're
13 eligible, and we don't know they're living in our
14 state. This will help us find them. As you know,
15 every dollar of federal veterans' benefits that
16 pays for a service such as health care, assisted
17 living, or education is a state dollar that does
18 not have to be expended for that same service.

19 Any questions, sir?

20 GOVERNOR CRIST: General.

21 ATTORNEY GENERAL McCOLLUM: I just wanted --

22 CFO SINK: Well, I do have a comment, but --

23 ATTORNEY GENERAL McCOLLUM: I was just going
24 to congratulate you on that. I think the CFO's
25 initiative was great on this. I think the program

1 looks terrific, and it looks like it's a program
2 that will really add to our knowledge of veterans
3 and give them a better chance to be involved. So
4 it sounds good to me.

5 GOVERNOR CRIST: CFO.

6 CFO SINK: Yes. I also wanted to thank
7 Colonel Jones, who is here, and mention that -- and
8 Admiral Collins, who worked really hard. We had a
9 project underway for about four months to make this
10 happen and to implement it.

11 A couple of things. When the veterans --
12 Colonel Jones will be happy when I say this. When
13 the veterans are asked to check off the box, they
14 are also, because of privacy concerns, asked if
15 they are willing to receive a communication from
16 the Florida Department of Veterans' Affairs.

17 And we estimate nationwide that there's as
18 much as \$22 billion in unclaimed veterans' benefits
19 that are out there. And with Florida's large
20 veteran population, a million eight, I would
21 surmise that there's probably well over a billion
22 dollars in possible benefits that our veterans are
23 not taking advantage of.

24 And one example would be veterans' health care
25 benefits. If they could take advantage of the

1 veterans' benefits as opposed to being on the
2 Medicaid rolls, which has a direct impact upon the
3 state budget here, it's a great start.

4 And I just want to thank you, Admiral Collins
5 and Colonel Jones, for being so cooperative about
6 trying to implement this and really enabling us to
7 identify who all our veterans are in the state.

8 GOVERNOR CRIST: Thank you very much.

9 ADMIRAL COLLINS: Thank you, sir.

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1 GOVERNOR CRIST: Highway Safety and Motor
2 Vehicles, Julie Jones.

3 COLONEL JONES: Good morning, Governor.

4 GOVERNOR CRIST: Good morning.

5 COLONEL JONES: Cabinet members. Today we
6 have four agenda items. But, Governor, if I could,
7 I need to make a comment and give you two updates
8 before we get into our agenda items.

9 GOVERNOR CRIST: Certainly.

10 COLONEL JONES: Reference the Veterans'
11 Affairs issue, General McCollum asked the agency to
12 do a legal memo relative to privacy issues for
13 driver's license information, and we have done
14 that. We have copied your respective staffs and
15 Veterans' Affairs, and we're working very closely
16 to protect personal information, just to reiterate
17 that everything was done correctly and properly and
18 we have a policy in place to use that information.

19 ATTORNEY GENERAL McCOLLUM: Well, I want to
20 thank you, Colonel Jones, for that. It reflects on
21 the issue, of course, Governor, you recall that we
22 got into with some legal matters a couple of years
23 ago on privacy with the Department.

24 And I think it's a very good step, Colonel,
25 and thanks for the cooperation on that. It just

1 adds a little layer of security to what sounds like
2 a terrific program.

3 COLONEL JONES: Yes, sir.

4 ATTORNEY GENERAL McCOLLUM: Thank you.

5 COLONEL JONES: Governor, my first update.
6 You asked last meeting in November about texting
7 and driving. To date, we have 19 bills of varying
8 themes, so I'll take it and make a guess here and
9 say that I think that there's a continued emphasis
10 on the part of the Legislature to bring a bill
11 forward.

12 I expect the bills to be narrowed. The House
13 has actually looked at all the bills in the House
14 to try to bring it down to one theme. I believe --
15 I looked in my crystal ball -- that it's going to
16 be narrowed down to just a texting ban for drivers.

17 So the agency, the Department continues to
18 monitor all these bills, and we'll keep you and
19 your respective staffs informed on where we think
20 this is going. I think it's really important that
21 the Department support to the best of our ability
22 the outcome of this legislation, along with
23 legislating expectations for good driving.

24 I think it's also important that we promote
25 behavior modification. So to the best of our

1 ability, the Department is going to continue our
2 efforts on our website and looking for grants to
3 try to keep messaging, messaging, messaging to
4 drive safely and don't drive distracted.

5 The second update is related to the federal --

6 GOVERNOR CRIST: If I could, before you go on,
7 you said that you think the legislation will boil
8 down to banning texting for the driver. Do you
9 have any idea who the sponsors respectively in the
10 House and Senate are with that particular type of
11 legislation?

12 COLONEL JONES: Well, because each legislative
13 body has a number of bills, the first bill that
14 came out of the House was by Representative Holder,
15 so I expect that might be the model. I'm not sure
16 of the status on the Senate bills, but I'll find
17 out and get it back to your staff.

18 GOVERNOR CRIST: Thank you. That will be a
19 great thing for safety.

20 COLONEL JONES: The second update is about
21 REAL ID. CFO Sink, this is the issue that you
22 asked me about last week. The federal government
23 passed the REAL ID Act in May of 2005. Florida
24 initiated the federal REAL ID Act in January of
25 this year.

1 As you remember, I brought forward a safety
2 campaign, and also associated with that was our
3 "Gather Go Get" campaign, which was our outreach
4 that we started in August of last year to try to
5 educate our customers on what was coming.

6 As with anything that includes change and
7 change in what you can and cannot do, our
8 transaction counts on our driver's license offices
9 slowed as we had customers come into the office and
10 they didn't have the proper documentation.

11 In February we've had an uptick. Our numbers
12 are better. Our wait times are less. That's
13 because we've educated our driver's license
14 examiners on what they can do to help facilitate
15 the process, and we've also continued to educate
16 our customers.

17 I think it's real important that I mention
18 that we've created a couple of time-saving measures
19 and we've taken some extra steps to minimize
20 inconvenience.

21 First, we started issuing temporary driver's
22 licenses. As with anything, you wait until the
23 last minute, and so if you walk in and you don't
24 have proper documentation, I can give you a 30- to
25 90-day extension, a temporary driver's license so

1 you can go and continue to work while you gather
2 your documents.

3 We also successfully appealed to Homeland
4 Security to grant exceptions for older customers.
5 So for our customers that were born before 1936,
6 it's going to be real hard to find that original
7 birth certificate. We can exempt those customers
8 from that particular provision.

9 And lastly, we have one person in the
10 Tallahassee office that can create exceptions. And
11 so if you are desperate and you absolutely cannot
12 access your original documentation, we can create
13 an exception for you.

14 And I'll give you an example. Yesterday we
15 had a customer that came in who was married 50
16 years ago, not only doesn't have her original birth
17 certificate, but she doesn't have her marriage
18 certificate. She didn't have any documentation
19 from many years ago. We were able to go into the
20 Social Security database and show that she has
21 successfully over the years updated her
22 information. We scan that information in, certify
23 it, and we can give her a REAL ID compliant
24 driver's license.

25 There are short-term inconveniences. I'm not

1 going to tell you there are not. I'm sure you've
2 seen them in the newspaper. But the REAL ID Act
3 has some real benefits for our citizens. People
4 open bank accounts, obtain mortgages, cash checks,
5 go to the doctor, and what's the first thing that
6 people ask you for? "Can I see your ID?" So your
7 Florida driver's license is more than just a permit
8 to drive.

9 And so to validate those licenses, not only
10 for law enforcement so they have a better feeling
11 for this really is the person that's on the
12 driver's license, it also protects our citizens
13 from privacy issues and also from identity theft.

14 So we've overcome a lot, but we still have
15 some slower lines. And I'm going to give an update
16 on our performance measures and give you a couple
17 of other tips on how we're going to deal with this
18 and a couple of issues that we have to overcome.

19 So with that, any questions?

20 ATTORNEY GENERAL McCOLLUM: Colonel Jones, I
21 just want to comment that what you just said a
22 minute ago is so true, that despite the
23 inconveniences and the things that are glitches in
24 the system so far, REAL ID is real. It's
25 important. It is very important to preventing

1 fraud. The driver's license is today's
2 identification document. It's what everybody uses.
3 It's pretty universal, and its security and knowing
4 it's truly the person is terribly important.

5 I know in our office, the Attorney General's
6 office, with all the efforts that we have on fraud,
7 we see that reality every day. I'm sure that it's
8 there in law enforcement in ways that I don't even
9 see with the men and women on the street in uniform
10 who are out there working it.

11 So I'm glad you made the comment you did. I
12 know you have a law enforcement background that
13 goes back a ways, so you see that. But a lot of
14 people out there in the public just see the
15 inconvenience of the moment, but that inconvenience
16 is way outweighed by the benefits, in my judgment.

17 So thank you for the efforts to make this
18 work. And it sounds like it is, even though it
19 does have some difficulties, minor ones. Thank
20 you.

21 COLONEL JONES: Thank you, General.

22 CFO SINK: Colonel Jones, I think the most
23 important thing I heard you say was that there is a
24 way to use some common sense here. You have the
25 one person here in Tallahassee who is able to take

1 those very difficult situations and apply some
2 common sense.

3 But also, I know that you mentioned to me the
4 other day that you have been able to kind of catch
5 some different fraudulent activity or you've
6 identified multiple numbers. Would you kind of
7 share with us some of the positive outcomes from a
8 law enforcement standpoint of implementing this
9 REAL ID law?

10 COLONEL JONES: Yes, CFO. Governor?

11 GOVERNOR CRIST: Yes.

12 COLONEL JONES: One of the things that I
13 didn't mention, we've carved out another exemption
14 with the Social Security Administration. We're
15 working very closely with them to make sure that
16 people are using Social Security numbers correctly
17 and accurately.

18 As you might imagine, if you need to get a
19 job, if you're not a resident alien, or if you're a
20 resident alien but you don't have a Social Security
21 number, working with the government, W-2s, we've
22 found a number of instances where people are using
23 the same Social Security number multiple times.
24 And this will pop up in the system once we search
25 and work with the Social Security Administration

1 when someone walks in to validate their Social
2 Security number.

3 In another initiative, it's sometimes hard
4 also to get that paper Social Security or your W-2,
5 and if you're new in the workplace, we've been able
6 to carve out an exemption to use a Social Security
7 administrative letter saying that they have
8 certified you and the card is in the mail. All of
9 this is to streamline this effort and give the
10 customer as quick a response as possible to get
11 that ID.

12 But it's interesting. The Social Security
13 number is being used a lot, and it's being used a
14 lot multiply, and we're able to capture that.

15 GOVERNOR CRIST: Okay.

16 COLONEL JONES: All right. Item 1. Thank
17 you. We respectfully request approval of the
18 minutes from the November 17, 2009 Cabinet meeting.

19 GOVERNOR CRIST: Is there a motion on the
20 minutes?

21 ATTORNEY GENERAL McCOLLUM: Move item 1.

22 COMMISSIONER BRONSON: Second.

23 GOVERNOR CRIST: Moved and seconded. Show the
24 minutes approved without objection.

25 COLONEL JONES: Item 2, respectfully request

1 the approval for final adoption of Rule 15B-2.013.
2 This is the rule for approved speed-measuring
3 devices. We're adding one speed-measuring device,
4 and we're also clarifying model names for some
5 radars that are already on the list.

6 COMMISSIONER BRONSON: Motion for approval of
7 Item 2.

8 CFO SINK: Second.

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

11 COLONEL JONES: Item 3, respectfully request
12 approval for final adoption of three rule repeals
13 related to inspections the Department no longer
14 performs.

15 Rule 15C-4 relates to private recreational
16 vehicle inspections, 15C-5 relates to motor vehicle
17 safety inspections, and 15C-6 relates to motor
18 vehicle emissions inspections. This is a case
19 where the statutes were repealed a number of years
20 ago, and we have rules on the books that are no
21 longer necessary.

22 ATTORNEY GENERAL McCOLLUM: I move Item 3.

23 COMMISSIONER BRONSON: Second.

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

1 COLONEL JONES: Item 4, we respectfully
2 request approval of the second quarter performance
3 measures.

4 And before I get into those expectations,
5 Commissioner Bronson, our staff has been working
6 with your staff on your resolution for Consumer
7 Protection Week. And we're proud to say that the
8 Department -- in an effort to seek cost-effective
9 ways to get public safety messages out, we have a
10 website now on our department site on Safety First,
11 and this segues in with your department's
12 initiatives.

13 The website contains numerous links for
14 information on how to buy and sell a car and
15 protect your interests, how to detect vehicle
16 cloning, car seat safety measures, teen driving
17 tips, motorcycle, identify theft, all of those
18 issues, and these all enhance consumer protection.
19 And we've worked very closely with your staff and
20 others in order to make sure that all of these
21 initiatives are brought together correctly.

22 COMMISSIONER BRONSON: Thank you.

23 COLONEL JONES: Now, related to performance
24 measures, I'm pleased to report that the Department
25 met the majority of its performance expectations

1 for the second quarter.

2 I do want to follow up on an item from my
3 report in November. In November I reported that we
4 needed to stabilize our new queuing system for
5 driver's license offices. It was our belief that
6 the system was not accurately tracking wait times.
7 We believe that we've addressed the issue. It was
8 a technological glitch.

9 We've upgraded all the servers through our
10 contracted vendor. But because the system upgrades
11 were made in February, these are not going to be --
12 these early successes aren't going to be reflected
13 in the second quarter because it happened in the
14 third quarter.

15 So optimum wait times, we're not there yet.
16 Enhanced technology will take us to a certain
17 place.

18 I do have problems with staffing, and I'll
19 just be very honest with you. Due to budgetary
20 constraints, I'm holding 100 positions vacant in
21 driver's license offices. And I'm hoping that as
22 we get closer to the end of the year, I can start
23 to put some -- fill some positions in key critical
24 places around the state, and then the beginning of
25 the fiscal year, do some more hiring. And this

1 will help with the REAL ID initiative and slower
2 times in our queues.

3 GOVERNOR CRIST: I have a question. Have you
4 given thought to reassignments?

5 COLONEL JONES: We have lost hundreds of
6 positions in the last couple of years, and there
7 really aren't any people to reassign. Over half
8 the agency are in the Highway Patrol, and the
9 majority of the people that are left are in the
10 Division of Driver's License.

11 So we've shifted people around. We have put
12 supervisors on the front lines doing the greeting
13 to facilitate having -- the person with subject
14 matter expertise, they're the first person that you
15 talk to. But it's just a matter of budget.

16 GOVERNOR CRIST: Thank you.

17 COLONEL JONES: Overall, I'm proud of the
18 Department's progress on this issue and the hard
19 work that goes into meeting our expectations.

20 And I would be happy to answer any questions,
21 and I respectfully request that you approve our
22 '09-'10 second quarter performance report.

23 GOVERNOR CRIST: Is there a motion?

24 CFO SINK: Move it.

25 COMMISSIONER BRONSON: Second.

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

COLONEL JONES: Thank you. I appreciate your
support.

1 GOVERNOR CRIST: Board of Trustees, Secretary
2 Sole.

3 MR. SOLE: Governor and Cabinet members, good
4 morning.

5 GOVERNOR CRIST: How are you?

6 MR. SOLE: I'm well, sir. Thank you.

7 Item Number 1 requests consideration of an
8 option agreement to acquire an additional roughly
9 506 acres to the Paynes Prairie State Park in
10 Alachua County. This acquisition will be from the
11 Alachua Conservation Trust. The consideration is
12 for 2.1 million, which is 89 percent of the
13 appraised value.

14 I want to point out that this is really a
15 strategic acquisition. In fact, this has been on
16 the top of the State Parks' acquisition efforts for
17 the last 40 years. Again, it's an additions and
18 inholding to Paynes Prairie State Park.

19 The acquisition really provides some strategic
20 opportunities for us. It connects some private
21 conservation lands as well as public conservation
22 lands. It will increase the public access and
23 recreation in the region, and it obviously will
24 also protect wildlife within the Paynes Prairie
25 Preserve.

1 Also, the important thing is, this is going to
2 help us save money. Because of the connective
3 nature of this project, we will be able to more
4 cost-effectively deal with invasive exotics, fire
5 ecology, which is essential to the region, and
6 feral hog removal.

7 Finally, this is also anticipated to be one of
8 our trail hubs, that it gets more people out to
9 Florida's resources. And as a reminder, Paynes
10 Prairie State Park is 21,000 acres in size. It is
11 on the list of natural landmarks, one of 600 across
12 the nation. It has self-sustaining bison on Paynes
13 Prairie, as well as cracker horses and over 270
14 species of birds.

15 Request your approval.

16 GOVERNOR CRIST: How many bison?

17 MR. SOLE: I don't know. I was asking that
18 question. Do we know exactly how many bison are on
19 the --

20 UNIDENTIFIED SPEAKER: Thirty-seven.

21 MR. SOLE: Thirty-seven, sir.

22 GOVERNOR CRIST: Where do they come from? The
23 Villages? They have bison.

24 CFO SINK: Gary Morse?

25 GOVERNOR CRIST: Yeah, I was going to say.

1 Isn't that a little odd?

2 MR. SOLE: No, it's not. Actually, bison were
3 legitimately part of Florida's original resource
4 until they were hunted until extinction. Now, the
5 bison that we have here today are not the same
6 endemic bison that existed some several hundred
7 years ago, but are part of North America's bison
8 gene pool.

9 GOVERNOR CRIST: Excellent.

10 ATTORNEY GENERAL McCOLLUM: I move the item,
11 Governor.

12 CFO SINK: Second.

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

15 MR. SOLE: Thank you.

16 GOVERNOR CRIST: Of course.

17 MR. SOLE: Item Number 2, request of Northeast
18 Marina, LLC in Putnam County for a ten-year
19 submerged land lease for a 200-slip marina facility
20 open to the public. The consideration -- and it's
21 located on the St. Johns River. The consideration
22 is for \$25,000.

23 This marina will be able to host vessels
24 roughly in the range of 40 feet long with
25 seven-foot drafts. There is a requirement for a

1 sewage pumpout facility at the marina. And the
2 fortunate thing is that the project has been
3 designed to avoid impacts to seagrasses which are
4 in the river. They've moved it so that there are
5 no seagrass impacts except for the access dock.

6 And finally, while the applicant has addressed
7 those issues, there is a bald eagle nest on the
8 property. But fortunately, they have already
9 pursued their bald eagle nest permit to address
10 protection of that resource.

11 There have been some concerns with the
12 project. Objectors have raised concerns about the
13 design of the dock facility. We've actually put
14 the riparian lines on there. And we have two
15 speakers with us today to speak on that.

16 With that, I would like to go ahead and ask
17 Mr. Terry Hansford to come up and join us. Terry.

18 GOVERNOR CRIST: Good morning.

19 MR. TERRY HANSFORD: Good morning, Governor.

20 GOVERNOR CRIST: How are you doing?

21 MR. TERRY HANSFORD: Members of the Cabinet.
22 I appreciate this opportunity on behalf of the
23 Hansford family, my brothers, Charles, Don, and
24 myself, Terry, being here with you today addressing
25 the objection that we have to the boat marina.

1 The first thing I must say is that we sold
2 this piece of property to the buyer. The actual
3 one that fronts the marina, we sold that part, that
4 piece of property to the buyer. The purchase
5 contract required us to go out and help get the
6 project approved, which we did. We went to the
7 comprehensive planning meetings and the rezoning
8 meetings. We attended every meeting possible that
9 we could to make sure the plan got approved.

10 Once approved, we set a closing date, and that
11 closing date was in about January of '08. And at
12 that time, I'm under the impression that my
13 contract ended with Mr. Pierce, which was the
14 buyer.

15 I don't recall at any time during these
16 sessions that we had with the county, the planning
17 board, of any marina being mentioned whatsoever,
18 not even a small one. But one that's 200 boats in
19 size is massive. I mean, it's -- the St. Johns
20 River is large, but this is just massive. It's a
21 large marina.

22 We still have property on the south of this
23 project here, which would be to the bottom side of
24 that photograph that's up there on the screen. And
25 we really think that something that large is just

1 not going to be compatible with us to salvage any
2 value whatsoever in our piece of property. It's
3 just going to diminish our value tremendously.

4 But let me back up here and go back a few
5 years and say that our father acquired properties
6 throughout his 55 years living in Florida.
7 Unfortunately, his timely death -- untimely death,
8 excuse me, in '05, after a few months, the
9 accountant called me up and told me the news of
10 what we were expected to pay the IRS based on the
11 appraised value that the appraiser did on the
12 estate. It was a pretty large sum, and we had no
13 cash, so we put out feelers to different folks.
14 And Mr. Parker, a realtor out of Jacksonville,
15 wrote me a letter and said he had a prospective
16 buyer for the project. And that's how we got here
17 today, is based on that.

18 And we're very hopeful. I want Mr. Pierce to
19 succeed. I don't want you to think I don't want
20 that. I just don't want him to make a change after
21 a change after a change after a change and come up
22 with the size marina that's proposed here.

23 If you look at my view that I've got and look
24 at how they've got it drawn there, that's not how
25 -- move it back over, a little bit closer. Down a

1 little bit, right --

2 UNIDENTIFIED SPEAKER: You want to point it
3 out?

4 MR. TERRY HANSFORD: The house is right along
5 in here. The property line is right here.

6 And if you look at how it has been done in the
7 past, looking at the -- down here to your right,
8 you will see -- down at the bottom, you'll see a
9 dock. It has not been done based on the water
10 rights that the Florida Environmental Protection
11 Agency has described. It's been done a different
12 way. And this will put that large marina right in
13 front of us.

14 And we would like to see it downsized
15 somewhat, moved to the north, which he has plenty
16 of land to the north. We're hopeful that we might
17 reach some kind of compromise. Like I said, I wish
18 him success all the way. I don't want anybody to
19 think we're not. But if you would, just please
20 move the thing to the north or lower it in size.

21 If you have any questions, I'll be glad to
22 answer them.

23 ATTORNEY GENERAL McCOLLUM: I do. Your
24 objection is -- that's your residence that's there?

25 MR. TERRY HANSFORD: No, sir.

1 ATTORNEY GENERAL McCOLLUM: What is the home
2 you were referring to that's there?

3 MR. TERRY HANSFORD: There's a residence
4 there. There's a home there now.

5 ATTORNEY GENERAL McCOLLUM: Whose home is
6 that?

7 MR. TERRY HANSFORD: It's not being lived in.
8 It's vacant, sir.

9 ATTORNEY GENERAL McCOLLUM: But you're
10 concerned about the presence of the marina where it
11 is extending out behind you, it looks like, because
12 of the curvature of the river there, that it's
13 going to be an impediment to the property that
14 might be developed in the future or somebody living
15 there on that which you currently own and have
16 kept.

17 MR. TERRY HANSFORD: Yes, sir.

18 ATTORNEY GENERAL McCOLLUM: That's really the
19 issue here. You think it's going to degrade the
20 value.

21 How much of the property to the south is
22 yours? Does it go as far as we can see on that map
23 or just a small area that's still yours?

24 MR. TERRY HANSFORD: I don't have the exact
25 dimensions, but I think we've got close to 300 foot

1 left.

2 ATTORNEY GENERAL McCOLLUM: Where does it end?

3 MR. TERRY HANSFORD: It would end right along
4 in here.

5 ATTORNEY GENERAL McCOLLUM: So the small
6 section that remains of yours there is about 300
7 feet?

8 MR. TERRY HANSFORD: Yes, sir.

9 ATTORNEY GENERAL McCOLLUM: And the property,
10 of course, extends back inland some.

11 MR. TERRY HANSFORD: Yes, sir. It's nine
12 acres, I believe.

13 MR. DONALD HANSFORD: Twelve.

14 MR. TERRY HANSFORD: Twelve, excuse me.

15 ATTORNEY GENERAL McCOLLUM: I see. So the
16 real issue is the value of your property that
17 remains there being diminished by the size of this.

18 MR. TERRY HANSFORD: Yes, sir.

19 ATTORNEY GENERAL McCOLLUM: If it were smaller
20 or moved further north, you feel it would be a
21 lot -- that's where it goes, a lot better. All
22 right. I got it. I got it. Thank you. I
23 appreciate it.

24 MR. TERRY HANSFORD: Thank you, sir.

25 MR. SOLE: Our next speaker is Mr. Donald

1 Hansford. Mr. Hansford.

2 MR. DONALD HANSFORD: Y'all probably can't
3 tell we're brothers. But anyway, I too appreciate
4 the opportunity to speak to this group. It's one
5 of the freedoms that we fought for. The veterans
6 were here awhile ago. Terry's a former Marine, and
7 I'm a former Marine. Our father was a Marine and
8 fought in World War II, and my grandfather was a
9 Marine in World War I.

10 Anyway, to clarify one thing, we did close in
11 2008, but our contract was two years before that.
12 They kept asking for extensions, and we had to
13 close because we had debts to pay. We worked with
14 the group in an effort to get this closed.

15 I got up and spoke on behalf of this project,
16 1,580 homes. I live in Putnam County. I didn't
17 want that, but we had to close. My neighbors, some
18 of them still don't speak to me because I got up
19 and spoke on behalf of this project.

20 And it's not been aboveboard all the time.
21 Initially there was no mention of any marina. Last
22 week we were here in front of the Cabinet aides,
23 and I presented this. There was no mention of any
24 marina. There was no provision for a marina. This
25 was their initial handout. And copies were offered

1 to your staff, and I don't know if you got it or
2 not.

3 But anyhow, later on they went before the
4 county to get a marina, and their local attorney,
5 Don Holmes, who is a Putnam County man, spoke up
6 and said in his development agreement they were
7 asking for 75 slips and a boat ramp. It's all
8 documented. I've got it here with me, anything you
9 want to see. A boat ramp, and going to have, you
10 know, pumpout facilities. But 75 slips is all they
11 asked for.

12 But now they come back to satisfy DEP -- oh,
13 by the way, the first one was private too, not
14 public, and to satisfy the DEP, they had to go
15 public. There are several changes been going on,
16 and now we're up to 200 slips.

17 We are not against the marina, as Terry said.
18 We just want them to turn it further north and get
19 it out from in front of us, because we are
20 devaluing our property. We have 12 acres there,
21 and we feel like, you know, it's worth something.
22 You can't sell anything right now. You know the
23 economy.

24 And also, I want to point out, in the
25 brochures they sent out, they've got some stuff,

1 and I'm going to quote you. I'm going to read this
2 to you right quick.

3 Anyway, they said the development there was a
4 clubhouse -- "River Bend is an active adult
5 community with 1,580 housing units, clubhouse,
6 tennis courts, boat slips available." It went on
7 to say all this about this place, but there's no
8 boat slips. There's no community development.
9 There's nothing. They have not driven the first
10 nail. The only thing they've done so far is staked
11 it out. They get permits, which they're applying
12 for again today to do something else, but they
13 haven't done anything. The economy takes care of
14 that. It's not a time to build.

15 But I feel like they're trying to put a
16 package together to sell to somebody else in
17 another time and place to recover their money,
18 because they have spent all kinds of money on
19 lawyers. Each time we -- incidentally, when we
20 have come together in a meeting to deal with these
21 people, we get a new lawyer.

22 These are hired guns they bring in. They had
23 -- the guy that starts the project, he's a lawyer.
24 But he has a team of lawyers in Fort Lauderdale,
25 has another group of lawyers in Jacksonville, and

1 has a Putnam County attorney handling all this
2 stuff. We're just two guys, two old fat men
3 walking up here trying to get something changed.

4 But anyway, one of the things I want to point
5 out is that they did mitigate the wetlands. The
6 wetlands initially -- about a month prior to
7 closing, David, the guy that's in charge of this
8 project, comes to us and says, "We're not going to
9 pay you for the wetlands because we can't use
10 them."

11 "Well, David, we have a contract that's two
12 years old that says, you know, you're going to give
13 us so much an acre. We're not cutting out the
14 wetlands."

15 He said, "Well, we're not using them." Now we
16 find out they're going to mitigate the wetlands.
17 You know, this is the kind of people we've been
18 dealing with. This is the carpetbaggers that came
19 after the Civil War from the North --

20 GOVERNOR CRIST: Oh, boy.

21 MR. DONALD HANSFORD: Oh, yeah. They came in
22 -- well, if you know anything about history, they
23 came down, you know, and raped and pillaged our
24 community and everything. And I don't mind saying
25 that, because it's the same thing all over again.

1 Is Florida for sale? They bought the bird.
2 There was an eagle's nest there. They paid for
3 that. They mitigated the wetlands. You know, this
4 is all legal and fine and dandy, but is that what
5 we want? Is Florida for sale? I don't think so.

6 I think, you know, as a governing body, you
7 guys have got to make a decision, and we appreciate
8 you taking the time and considering our situation
9 on this thing. But we're not for sale. You know,
10 if I have to run for an office and come up here and
11 change things, we're not for sale. You cannot keep
12 coming down here and expecting everybody to just
13 take it, because over the years, we've developed
14 all these wetlands and everything. And it's still
15 going on, I guess, but times are changing.

16 Thank you.

17 ATTORNEY GENERAL McCOLLUM: Could I ask you a
18 question, Mr. Hansford?

19 MR. DONALD HANSFORD: Yes, sir.

20 ATTORNEY GENERAL McCOLLUM: First of all, have
21 you tried to get them to move this further north?
22 It doesn't seem like the objection is to having the
23 slips. It's more the location of the slips. Is
24 that right?

25 MR. DONALD HANSFORD: I haven't negotiated

1 with these people. Initially, they set us a letter
2 saying that they wanted to put it in front of us,
3 and we told them no. And then they said, "Well,
4 you know, we can get around that." That's what
5 they told us right to our face, "We can get around
6 that." And this is how they're doing it.

7 ATTORNEY GENERAL McCOLLUM: Well, our staff
8 has given us an agenda item from the Putnam County
9 Board of Commissioners dated April the 10th, 2007,
10 and in that it says the applicant is also proposing
11 a 200-slip community dock. So it looks like as
12 early as April 2007 in front of the County
13 Commission, they put that 200-slip dock into the
14 agenda notices, and that's quite -- that was before
15 all this happened; right?

16 MR. DONALD HANSFORD: This was actually before
17 we ended up closing. But what you failed to
18 mention -- what he failed to mention to you a while
19 ago, we had extensions. When we originally
20 started, we had a contract, and they kept extending
21 it year by year until we got to a closing date in
22 2008. By then, they had asked for that, but we
23 didn't have all this stuff available to us when we
24 first started in negotiations and when we actually
25 signed the contract to sell the property. This

1 stuff wasn't available to us. There was no mention
2 of any marina.

3 ATTORNEY GENERAL McCOLLUM: But have you
4 appeared before the Commission to complain about
5 the dock? Did you mention that to them when the
6 time came about the 200-slip dock?

7 MR. DONALD HANSFORD: I missed that meeting.
8 I don't go to all the County Commission meetings.
9 I live in Putnam County. I'm the only family
10 member that does live in Putnam County, but I
11 cannot attend -- I didn't know about this until
12 later on. You know, how I got all this stuff was
13 to research it later on and find out what the dates
14 were.

15 ATTORNEY GENERAL McCOLLUM: Were you
16 represented by an attorney in all of this?

17 MR. DONALD HANSFORD: We have an attorney, and
18 he wasn't aware of it either. We used him at the
19 closing because we needed an attorney for that
20 point in time, but we don't keep him on payroll or
21 anything.

22 ATTORNEY GENERAL McCOLLUM: Thank you.

23 MR. SOLE: Thank you, Mr. Hansford.

24 COMMISSIONER BRONSON: Governor.

25 GOVERNOR CRIST: Commissioner.

1 COMMISSIONER BRONSON: Governor, I feel for
2 the Hansfords for a number reasons, but the biggest
3 one being something that has happened to us many
4 times in the past and is going to keep happening to
5 us in the future, and especially if the federal
6 government goes back to the 55 percent income tax
7 or the inheritance tax that they're planning on
8 putting back on the public.

9 When you're limited on the amount of acreage
10 that you have available and you've got to pay off
11 that tax, you have to sell part to keep part, and
12 that's obviously what has happened here with the
13 Hansfords and this property. It's going to happen
14 all over the state again, which puts -- much of the
15 land acquisition programs and everything that we're
16 looking at is really going to be in jeopardy over
17 time, in my opinion, because of this.

18 Now, you know, even if we could find out
19 whether they were willing or had some way of taking
20 part of this dock off, which looks like only one
21 level of slips that would line up with the property
22 line, it really doesn't, because the way the slip
23 is turned, it's still going to be sticking out here
24 over their property line. But the question is
25 whether they can move that slip dockage down

1 further so that it wouldn't be a problem with the
2 landowner in the future.

3 So I guess maybe I'm trying to get two
4 messages here. I would like to see this thing
5 moved, if we can, for the landowner, and we need to
6 be looking at what inheritance tax is going to do
7 to this state over time. And it's going to have
8 some negative impacts.

9 MR. SOLE: Well, Governor and Commissioner, we
10 do have a representative from the applicant here,
11 Ms. Ellen Avery-Smith.

12 But I do want to point out that when we looked
13 at the riparian lines issue, Commissioner, that
14 you're raising, we did actually concur with the
15 riparian lines that were proposed in the permit.
16 But I think Ms. Smith, Avery-Smith can talk about
17 the options or what their request is.

18 MS. AVERY-SMITH: Good morning, Governor and
19 Cabinet members. For the record, Ellen Avery-Smith
20 with the law firm of Rogers Towers, 7 Malaga Street
21 in St. Augustine, Florida. And I appreciate the
22 opportunity to speak to you this morning.

23 I think before I answer Mr. Bronson's
24 question, I would like to give you a little bit of
25 history about this project to clarify some

1 statements that have previously been made.

2 The history of this property goes back to 2005
3 when our client started putting together properties
4 in the east Palatka area. And I don't know how
5 many of you have been in that area of Putnam
6 County, but it's gorgeous right along the St. Johns
7 River. And so obviously, he saw the beauty in it
8 and started -- to that end, at that point, he was
9 working with the Army Corp of Engineers as early as
10 2005 on what would be a 200-slip marina.

11 In 2007, our client, with the assistance of
12 the Hansfords, who signed the appropriate owner's
13 authorizations which are required by law, applied
14 for a comprehensive plan amendment, a large-scale
15 comprehensive plan amendment to the Putnam County
16 Comprehensive Plan, as well as a development
17 agreement, that both stated there would be a
18 200-slip marina. The Hansfords willingly signed
19 and had notarized owner's authorizations that were
20 submitted to the record in that year, 2007. In
21 that same year, 2007, that comprehensive plan
22 amendment and the development agreement were
23 approved by the Putnam County Commission.

24 In 2008, the Hansfords sold the property to my
25 client for \$2.9 million. That's a significant sum

1 of money. At that time, they -- as both Hansfords
2 have admitted, they appeared before the Putnam
3 County Commission prior to the purchase or to the
4 sale of their property to support the application
5 for the comp plan amendment and the development
6 agreement, knowing full well this included 200
7 slips.

8 After the purchase of the property by my
9 client, my client in 2008 then applied for PUD
10 rezoning, again including the 200-slip marina. At
11 that the point is -- also, let me back up for a
12 minute. In 2007 we applied to the Florida
13 Department of Environmental Protection for the
14 related marina permit and sovereign submerged land
15 lease. So they received -- the Hansfords received
16 notice of that application as well. They objected
17 at that time, and we did reconfigure the marina,
18 because it was not balanced between the riparian
19 right setback lines. So the marina has been moved.

20 There are 1,321 feet of shoreline that are
21 owned by Northeast Marina. And I want to put up --
22 I don't know how to operate your -- I'm sorry. I
23 don't know how to work this table.

24 GOVERNOR CRIST: She does.

25 MS. AVERY-SMITH: You will see the area in

1 light green is the property that's owned by
2 Northeast Marina, LLC. This property here is owned
3 by the Hansfords. And you can see -- it's not very
4 clear in this, but you can see some docks that are
5 going out into the St. Johns River on all the
6 surrounding properties.

7 And so another point I want to get to is that
8 we did a lot of research to determine riparian
9 rights, and the case law and the DEP guidance are
10 very clear that riparian rights, particularly along
11 a river that meanders like the St. Johns River,
12 should be measured perpendicular to the channel.
13 If you look at this photograph that's on your
14 screen, you will see that most of the docks are
15 oriented perpendicular to the channel of the river,
16 and that's how we oriented this marina.

17 The case law is also very clear that the right
18 to access navigable water, meaning having a dock,
19 trumps the right to view, and that the right to
20 view should be measured also perpendicular to the
21 channel of the St. Johns River. And if you look at
22 the Hansford property, again, you will see that
23 they have a lot of frontage on the St. Johns River,
24 and you can also see that there's plenty of space
25 for them to access the St. Johns River, again

1 perpendicular to the shoreline.

2 I want to point out to you also that, again,
3 our client has been in this process since 2005. He
4 has expended approximately \$750,000 to get to this
5 point. Any rearranging of the marina at this point
6 would probably cost between 40 and \$50,000 to go
7 back through some certain permitting processes.
8 And so I just want you to realize that in addition
9 to the \$2.9 million that he paid to the Hansfords
10 for this land, you know, the costs start adding up.

11 Also, I want to point out that Putnam County
12 is very much on board with having this marina.
13 It's a public marina. It will generate revenues
14 for Putnam County. You should have in your
15 packages a letter from Putnam County stating that
16 this is a public marina open for the benefit of the
17 public, to give the public access to the waters.
18 And so this will be a good source of revenue and
19 source of public access for the citizens of Putnam
20 County.

21 And so I respectfully request today that you
22 approve the application as proposed.

23 GOVERNOR CRIST: Thank you. Any questions?
24 CFO.

25 CFO SINK: Yes, I do have a question, and it

1 might be for Secretary Sole also.

2 I know that our staff was messing around with
3 this and some possible solutions, and particularly
4 it appears that that southernmost pier is the one
5 that's causing the Hansfords the most heartburn. I
6 guess one question to Secretary Sole would be that
7 if the developer opted to remove that southernmost
8 pier and put those slips -- add them to the end of
9 the other four piers, what kind of additional
10 permitting, if any, or delay would be required in a
11 solution like that?

12 MR. SOLE: CFO, in a cursory look, it's
13 something that I think we could do a redesign under
14 the permit that's before us. It would probably
15 take new design drawings, as Ms. Avery-Smith has
16 raised, and a new survey for the area, but it is
17 something that I think we could accomplish in the
18 permitting process.

19 CFO SINK: And just a question to the
20 attorney. Under the provisions of being a good
21 neighbor, would the, or has the developer
22 considered this alternative approach?

23 MS. AVERY-SMITH: Well, certainly our client
24 would prefer to stick with the application as is,
25 but I will say with the caveat that we would like

1 to walk out of this room with an approval. And we
2 have considered -- we've spoken to several of your
3 aides, and we've spoken to the Hansfords, and there
4 is some room for moving some slips if indeed that's
5 what we need to do to walk out of the room with an
6 approval.

7 CFO SINK: It just does seem to me -- I mean,
8 a 200-slip is huge. In my knowledge of that area,
9 there aren't any -- did you do a survey, Secretary
10 Sole, of what other marina facilities are in the
11 area? This seems enormous. It's good, because it
12 enables people to have access to the wonderful
13 river, of course, but put it in perspective for me,
14 the sizing of this 200-slip marina.

15 MS. AVERY-SMITH: Yes. We did a study. I
16 don't know if you've heard of the firm called
17 Applied Technology and Management or ATM. They are
18 an international firm that specializes in the
19 design and siting of marinas, particularly public
20 marinas. And they did a study of the area of the
21 St. Johns River from its mouth in Duval County all
22 the way down to Lake George.

23 And they did determine -- and this marina was
24 sized based on that study -- that there is a dearth
25 of marina slips available to the public between

1 Doctors Inlet, which is up near Orange Park, and
2 down around Lake George. And so certainly our
3 client is a businessman, and he does not want to
4 spend money that he would not get a return on. So
5 we do feel we have a very good trust in that ATM
6 study and in the economy rebounding.

7 CFO SINK: Governor, could I ask the Hansfords
8 before I -- I may or may not make a motion here --
9 what your reaction would be to this alternative
10 approach?

11 MR. TERRY HANSFORD: We would be more than
12 glad to accommodate anything that's reasonable to
13 all the parties. It's not the exact way that
14 Ms. Smith told it, but we don't need to go there,
15 it sounds like, so I won't go there. But we would
16 just love to be able to sell our property as we
17 sold the other one to him.

18 That sounds like a lot of money, but 70 some
19 odd acres is involved, some on the east side of the
20 road which faced the river, and some was on the
21 west side of the road which faced the potato
22 fields. So it sounds like a lot of money, but
23 Uncle Sam had that spent before I even wrote the
24 check.

25 MR. SOLE: CFO, could I make a suggestion?

1 CFO SINK: Yes, please do. I was just getting
2 ready to ask you to make a suggestion. There have
3 been many delays here, and --

4 MR. SOLE: Yes, ma'am.

5 CFO SINK: -- I appreciate the developer's
6 desire to get this resolved.

7 MR. SOLE: Well, while the project as proposed
8 does meet our requirements, I've spoken with
9 Ms. Avery-Smith, and I think she would be
10 supportive of taking the southern finger pier and
11 reallocating the slips to the four remaining finger
12 piers, to retain the 200-slip marina, but trying to
13 reduce the -- what I'll say, the encroachment to
14 the south. While they're within their riparian
15 boundaries, I think this is, as you pointed out, a
16 good neighbor option, and in my quick conversation
17 with Ms. Avery-Smith, that is something that they
18 would accept.

19 And if the Board pleases, I would suggest that
20 a special approval condition be added which allows
21 us to move forward with the project today with the
22 special approval condition which requires them to
23 remove the southern finger pier and reallocate
24 slips to the remaining four piers and give the
25 Department the discretion to move this project

1 forward.

2 CFO SINK: I so move.

3 GOVERNOR CRIST: Is there a second?

4 COMMISSIONER BRONSON: Second.

5 GOVERNOR CRIST: Moved and seconded. Any
6 discussion? All approve, signify by saying aye.

7 (Affirmative responses.)

8 GOVERNOR CRIST: Opposed, like sign. The
9 motion carries. Thank you.

10 MR. SOLE: Item Number 3. This is a request
11 for approval of proposed sanctuary-wide no
12 discharge zone to prohibit all sewage discharges
13 from vessels in the Florida Keys National Marine
14 Sanctuary. This is a proposal that was initiated
15 by the National Oceanic and Atmospheric
16 Administration in changing their regulations, which
17 we're a partner with in the Florida Keys National
18 Marine Sanctuary, to have a no discharge zone with
19 the entire sanctuary.

20 The interesting thing here is, there is
21 already a no discharge zone within the state
22 waters. This is something that we, the State of
23 Florida, petitioned EPA to pursue to protect the
24 Keys region, and it has already been adopted by
25 rule. The proposal by NOAA actually expands that

1 into the entire sanctuary, which includes in some
2 areas the federal waters as well.

3 There have been several public workshops held
4 in the Keys, a preponderance of support for the
5 effort. There were some concerns raised as it
6 relates to enforceability because of a no discharge
7 zone and enforceability is difficult, as well as
8 concerns about whether there's adequate sewage
9 pumpout capacity.

10 It is worth noting that since 1995, under the
11 State's administered Clean Vessel Act grants, we've
12 provided some, I think, 34 grants to this region to
13 support pumpout and maintenance of pumpout
14 facilities, and there's already in the Keys some 35
15 existing pumpout facilities.

16 The Department recommends approval of this
17 item.

18 ATTORNEY GENERAL McCOLLUM: I move Item 3.

19 CFO SINK: Second.

20 ATTORNEY GENERAL McCOLLUM: Item 3 is approved
21 without objection.

22 MR. SOLE: Thank you, General.

23 Item Number 4, this is our Florida Forever
24 Acquisition and Restoration Council list. We
25 request consideration of the March 2010 Five-Year

1 Plan, Florida Forever Five-Year Plan. We also
2 request consideration of the Acquisition and
3 Restoration Council's recommended March 2010
4 Florida Forever Acquisition Priority List. And
5 finally, something new as a result of legislation,
6 we're also requesting approval of the Florida
7 Forever Capital Improvements Priority List.

8 Our March 2010 Five-Year Plan has three new
9 projects, three boundary reductions, and three
10 project removals.

11 Briefly, and for the Commissioner, our first
12 new project is a less than fee acquisition located
13 in Brevard County. It's known as the Maytown
14 Flatwoods project. There is also Shoal River
15 Buffer, a 2,000-acre project in Okaloosa County
16 adjacent to Eglin Air Force Base, and finally, a
17 small project, nine acres, Windover Archaeological
18 Site. This is a significant archaeological
19 facility, some 7,000, 8,000 years ago, a burial
20 pond used in the region. There's also several
21 boundary amendments proposed as a result of
22 development and requests from owners to remove them
23 from the acquisition list.

24 And finally, it's worth noting that we are
25 removing projects from this list. Our Pillsbury

1 Mound acquisition is complete in Manatee County.
2 Yellow River Ravines also is substantially
3 complete, 90 percent complete, located in Santa
4 Rosa and Okaloosa County. And we're also combining
5 the North Nokuse Plantation project.

6 The Department recommends approval of the
7 five-year plan.

8 ATTORNEY GENERAL McCOLLUM: Is there a motion
9 to approve?

10 CFO SINK: I move it.

11 ATTORNEY GENERAL McCOLLUM: Is there a second?

12 COMMISSIONER BRONSON: Second.

13 ATTORNEY GENERAL McCOLLUM: Thank you.

14 Without objection, Item 4 is approved.

15 MR. SOLE: Thank you. That concludes --

16 COMMISSIONER BRONSON: Governor, I have --

17 GOVERNOR CRIST: Yes, sir, Commissioner.

18 COMMISSIONER BRONSON: I've got to make a
19 statement here. And I've been very silent, as you
20 perceived, on this issue.

21 I have supported the concept of Florida
22 Forever. I was chairman of Senate Natural
23 Resources when Florida Forever was put together in
24 the Senate. My only objection at the time was that
25 there was no money being set aside -- and I believe

1 in that year, Governor, you were gone to Education,
2 I believe.

3 GOVERNOR CRIST: What year was it?

4 COMMISSIONER BRONSON: 2000.

5 GOVERNOR CRIST: Yes.

6 COMMISSIONER BRONSON: And my objection was
7 there was no money being set aside for the actual
8 management of state lands. And everybody tried to
9 find all kinds of ways to tell me we couldn't do
10 this. And somehow, miraculously, I think we ended
11 up putting a piddly \$50,000 a year for land
12 management, which I knew was not sufficient, but it
13 was better than nothing.

14 However, as we started land acquisition in
15 years past, including the P-2000, we had then
16 concentrated on wetlands and what were considered
17 lands of critical concern to the State. That has
18 now morphed into acquisition of lands and actually
19 having to buy lands we didn't absolutely need, but
20 because the landowner didn't want to get stuck, as
21 the Hansfords have been stuck with some of their
22 issues, they decided they wanted to sell whole lots
23 instead of -- or whole parcels instead of partial.

24 In that meantime -- and I have voted, as you
25 know, for quite a few of these acquisitions to

1 date.

2 The economy, we're not in a position, in my
3 opinion, to keep doing this under the current
4 program, simply because the money is not there.
5 And those moneys that have been used traditionally
6 for this program could be used in other ways, not
7 just for land acquisition.

8 As a matter of fact, I have no objection to
9 voting on land acquisitions or situations where
10 easements are done. We keep the land in production
11 of gross domestic product, which is what our whole
12 economy thrives on. The jobs remain there, and the
13 local taxes and so forth are being paid at the same
14 time. I have no problem with those types of
15 acquisitions.

16 But the outright acquisition of land in the
17 State of Florida by the State under these programs
18 is pulling million of acres of land off the tax
19 rolls with no jobs available and no gross domestic
20 product being produced. I feel like I'm in an echo
21 chamber. I've said this before. But it's getting
22 very serious right now as to our ability to do
23 these. We have -- in 2001, the first year that I
24 was on the Cabinet, we had 82 projects, 1.3 million
25 acres remaining to buy. After ten years, we've

1 acquired, using \$3 billion, 700,000 acres under
2 this program.

3 Now, as you'll remember, Governor, we were
4 told -- when wanted to know how much land does the
5 State of Florida own, what is it worth, and what
6 can we do with it, we were told that the State now
7 has 5.5 million acres -- there's only 34.7 million
8 acres total -- including sovereign submerged lands,
9 that the State of Florida actually owns.

10 The Century Commission, if I got the
11 information right out of the Century Commission,
12 has recommended that we might want to buy another
13 11 million acres of Florida. That means Florida
14 would own two-thirds of the state again. And I'm
15 not sure who in the world or how in the world we
16 would operate the State of Florida or the counties
17 would be able to operate if we take all of that off
18 the tax rolls, no basic jobs there and no gross
19 domestic product being produced.

20 And I'm saying this very much in earnest,
21 because I'm not against wildlife and natural
22 resources. I love wildlife and natural resources.

23 How much land do we really have to have? I've
24 asked that question three or four times, and nobody
25 has come up with an answer. It took me nine years

1 to find out how much land the State owned, because
2 so many agencies -- Water Management and the State
3 and everybody else had control of the pieces, and
4 nobody seemed to be able to put the numbers
5 together until that report a few months ago.

6 But the question is, how much land do we
7 actually need? I can't walk 5 1/2 million acres.
8 That's what we already own. If I want to go see
9 natural resources and wildlife, that's a lot of
10 acreage. The federal government owns over
11 4 million acres of state lands. The majority of
12 that is in natural resource protected lands. So we
13 have quite a bit of land out there.

14 We have 109 projects worth 2 million acres
15 remaining to buy under the current proposal. I'm
16 not sure how we get there from here or why or
17 whether we need to put some real restraints on what
18 we actually need for -- there's a lot of wants out
19 there, and a lot of people would love to have
20 certain things, but do we absolutely need it for
21 the protection of natural resources and wildlife in
22 the state?

23 This needs to be talked about. And before the
24 Legislature comes up with a new plan, I think I
25 want to go to the Legislature myself personally,

1 and I'm going to do that, to get them to look at
2 this situation, because we're having -- counties in
3 this state are about to go bankrupt on education
4 and some other things because they can't raise the
5 money. The money is not available.

6 The economy is not in a situation where we
7 have the wherewithal to keep this program going at
8 the rate and the manner in which we've done it
9 before. I can assure you without a doubt, and I'm
10 not a huge economist, but we cannot afford to buy
11 another 11 million acres fee simple in the State of
12 Florida. There's just no way that can be possible.
13 We don't have enough business to take up the jobs
14 and the support for the State from an economic
15 standpoint to support that kind of acquisition.

16 So I am very concerned, Governor and Cabinet
17 members. It's almost disheartening to me that we
18 have got ourselves in this shape, because our
19 economy in the State of Florida is showing it. As
20 the Governor aptly mentioned in your state of the
21 State, agriculture and tourism, and predominantly
22 agriculture, has been the main player in this state
23 since before statehood, but certainly at statehood
24 forward, because that's one of the biggest driving
25 engines, with 700,000 people employed in this

1 state, with over \$103 billion worth of economic
2 engine to this state for all kinds of businesses,
3 not just agriculture. The tourist industry, of
4 course, has been a huge player in the State of
5 Florida in the last 30 years, but they're hurting
6 now because people don't have money to come here.

7 So I'm not sure that we're in the financial
8 wherewithal to keep buying this land in fee simple
9 instead of putting it in conservation easements
10 where the families that want to keep it that way
11 are willing to put that up, but yet keep the jobs
12 and the business going.

13 So, Governor, I'm laying this on the table for
14 everybody, including the Legislature, to take look
15 at. I think we have to be practical here, and
16 we're about to overstep our practicality on what we
17 can afford to do here in the State of Florida.

18 GOVERNOR CRIST: Well put, Commissioner.
19 Thank you very much for your thoughts.

20 MR. SOLE: Thank you, Governor.

21 GOVERNOR CRIST: That's a man who has given a
22 lot of thought to that. Thank you.

1 GOVERNOR CRIST: Well, now I think we're off
2 to SBA. Ash.

3 Thank you, Commissioner, very much.

4 MR. WILLIAMS: Good morning, Governor and
5 Trustees.

6 GOVERNOR CRIST: Yes, sir.

7 MR. WILLIAMS: Item 1 is a fiscal sufficiency
8 in an amount not to exceed \$280 million State of
9 Florida, Department of Transportation Turnpike
10 Revenue Bonds.

11 GOVERNOR CRIST: Is there a motion on Item 1?

12 CFO SINK: Move it.

13 ATTORNEY GENERAL McCOLLUM: Second.

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

16 MR. WILLIAMS: Item 2 is also a fiscal
17 sufficiency in an amount not to exceed \$200 million
18 State of Florida, full faith and credit, State
19 Board of Education PECO bonds, 2008 series.

20 CFO SINK: Move it.

21 ATTORNEY GENERAL McCOLLUM: Second.

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

24 Thanks, Ash. Have a nice day.

25 (Proceedings concluded at 10:40 a.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 70 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 30th day of March, 2010.

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