

AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
MARCH 20, 2012

Attachments to the items below can be viewed at the following link:
http://www.dep.state.fl.us/secretary/cab/public_notices.htm

Substitute Page

Substitute Item 1 Exercise Right of First Refusal/Acquire Lots from Grove Properties Limited/Determination/Delegation/Division of Historical Resources/The Grove

REQUEST: Consideration of a request (1) to exercise the right of first refusal, pursuant to the “Grant of Right of First Refusal to Purchase and Imposition of Restrictive Covenants”; (2) to acquire two lots adjacent to The Grove from Grove Properties Limited for \$580,000, subject to an existing tenancy; (3) to make a determination, pursuant to section 259.041(3), F.S., that it is in the public interest to acquire the two lots should the \$580,000 purchase price exceed the appraised value; and (4) for delegation of authority to the Secretary of the Department of Environmental Protection, or designee, to approve a purchase agreement with a purchase price of \$580,000.

VOTING REQUIREMENT FOR APPROVAL: Two members, one of whom is the Governor, when four members are voting; or any two members, when three members are voting.

COUNTY: Leon

LOCATION: Section 25, Township 01 North, Range 01 West

CONSIDERATION: \$580,000

STAFF REMARKS:

Background

On January 22, 1985, the Board of Trustees approved the acquisition of The Grove from former Governor and Mrs. Leroy Collins. The Grove is a historically unique property with a large antebellum home that was built and occupied by Richard Keith Call, two-time territorial governor of Florida prior to statehood, and later served as the home of Governor and Mrs. Collins. When the Board of Trustees acquired The Grove property, it also received a “Grant of Right of First Refusal to Purchase and Imposition of Restrictive Covenants” (Grant), giving it the right of first refusal to purchase three lots adjacent to The Grove that were also owned by the Collinses. Under the terms of the Grant, the owner is required to notify the Board of Trustees of an impending sale in order to allow the Board of Trustees the opportunity to purchase the lot(s) at a price equal to that of the proposed sale within six months of the notification. If the Board of Trustees has not purchased the lot(s) within six months, the right of first refusal is deemed declined.

The three lots included in the Grant are located on the eastern edge of The Grove, at North Monroe Street near First Avenue in Tallahassee. The three lots combined contain a total of approximately 0.92 acre. The southernmost lot is improved with a house that was constructed in 1924 and since converted into a law office, and the remaining two lots contain parking facilities.

The Grove is currently leased to the Department of State’s Division of Historical Resources (DHR), under Lease No. 3397, for a historic house museum pursuant to section 267.075, F.S.

Substitute Item 1, cont.

DHR is currently developing interpretive exhibits, educational and outreach programming, and online content while the house is being restored. The Grove is anticipated to be open to the public in 2013.

Project Description

The Grove Properties Limited (GPL) notified the Department of Environmental Protection's (DEP) Division of State Lands (DSL) on December 19, 2011, that it had an offer of \$580,000 to purchase the two southern lots, containing approximately 0.73 acre. These two lots contain the law office and an adjacent parking facility.

The central lot, containing the parking facility, is currently owned by the Mary Call Darby Collins Revocable Trust (Trust), according to the Leon County Property Appraiser's office, but the existing offer to purchase provides for the Trust to convey its lot to GPL before closing. This lot is also located within the boundaries of a CARL acquisition project identified at the time of the 1985 acquisition. The value of the southernmost lot, containing the law office, qualifies as an addition and inholding to the CARL project when the purchase price is prorated between the two lots. As a result, the two southern lots may be acquired as conservation lands using Florida Forever funding. Pursuant to the Grant, the Board of Trustees may purchase these two southern lots for an equal amount of \$580,000 on or before June 19, 2012.

The northern lot, which is approximately 0.19 acre, is excluded from the GPL potential sale; therefore, is not a part of this proposed transaction. The Board of Trustees will still retain a right of first refusal for any potential future sale of the northern lot in accordance with the terms of the Grant.

Purchase Agreement

If the Board of Trustees determines to exercise the right of first refusal and delegate to DEP the authority to approve the purchase agreement with a purchase price of \$580,000, then in order to close on the transaction by June 19, 2012, DSL proposes to proceed to closing of the purchase agreement on the following terms without returning to the Board of Trustees for approval:

- an appraisal will be obtained by DSL, and the DSL-approved value of the two southern lots will be determined in accordance with section 259.041(7), F.S., and rule 18-1.006, F.A.C.;
- DSL will obtain a survey, examine the title, and obtain an environmental site assessment for the two southern lots. If defects are identified by any of these products that are not acceptable to DSL, and GPL cures those defects, then DSL will proceed to closing; if defects are identified that are not acceptable to DSL, and GPL fails after good faith effort to clear those defects, then DSL will terminate the agreement to purchase and release the property back to GPL;
- costs will be allocated as in GPL's existing contract for sale. The Board of Trustees shall obtain any survey and environmental site assessment desired. GPL shall obtain the title insurance commitment, pay the documentary stamp taxes, and pay the settlement fee. Each party shall pay its own attorney fees, if any; and

Substitute Item 1, cont.

- any purchase agreement with GPL shall contain the contingencies required by law such as the contingency for legislative appropriation and the requirement that GPL complete beneficial interest disclosures.

The Addendum to GPL's contract for sale indicates that its proposed buyer is currently a tenant at will on a month-to-month basis of the law office on the site. DSL proposes to acquire subject to this tenancy, which will continue after closing until terminated by one of the parties.

Public Interest

Should the \$580,000 purchase price exceed the DSL-approved value, pursuant to section 259.041(3), F.S., the Board of Trustees must determine the purchase to be in the public interest. DSL offers the following to assist the Board of Trustees in making an affirmative determination that the acquisition of the two southern lots is in the public interest:

- the acquisition will provide increased public access opportunities to The Grove via a major thoroughfare, North Monroe Street; and
- the acquisition will allow for potential expansion of The Grove's historical property.

Mortgages and Liens

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

The two southern lots are improved with a house built in 1924 and a parking lot. The appraiser(s) will consider these improvements in the valuation of the property.

Management

The property will be managed by DHR as an addition to The Grove.

Comprehensive Statement

This acquisition is consistent with section 187.201(18), F.S., the Cultural and Historical Resources' section of the State Comprehensive Plan.

(See Attachment 1, Pages 1-8)

RECOMMEND APPROVAL