

AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
NOVEMBER 12, 2014

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 Minutes

Submittal of the Board of Trustees' Minutes from the September 23, 2014 Cabinet Meeting.

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.

(See Attachment 1 at http://www.dep.state.fl.us/secretary/cab/public_notices.htm)

RECOMMEND WITHDRAWAL

Substitute Item 2 BOT/City of Tallahassee Community Redevelopment Agency Exchange Agreement/Florida State University/Determination

REQUEST: Consideration of (1) a determination, pursuant to section 18-2.018(3)(b)1.c., F.A.C., that an exchange of three parcels, totaling approximately 5.74 acres, of state-owned, non-conservation land in Leon County provides a greater benefit to the public than their retention in Board of Trustees' ownership; and (2) approval of an exchange agreement to convey three parcels, totaling approximately 5.74 acres, of state-owned, non-conservation land in exchange for a 5.34-acre parcel owned by the City of Tallahassee Community Redevelopment Agency.

VOTING REQUIREMENT FOR APPROVAL: Three votes

COUNTY: Leon

APPLICANT: Florida State University (FSU)

LOCATION: Sections 35 and 36, Township 01 North, Range 01 West

CONSIDERATION: Parcel-for-parcels with FSU to pay \$960,000 cash boot to the City of Tallahassee Community Redevelopment Agency (CRA), an agency created and existing under chapter 163, F.S.

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Substitute Item 2, cont.

<u>PARCEL</u>	<u>ACRES</u>	A P P R A I S E D B Y				<u>EXCHANGE VALUE</u>	<u>CLOSING DATE</u>
		Brown <u>03/03/14</u>	Marr <u>03/04/14</u>	Carroll <u>04/23/14</u>	Candler <u>03/03/14</u>		
CRA							
Parcel 1 (O'Connell)	5.34	\$5,500,000	\$5,810,000	N/A	N/A	\$5,810,000	120 days after BOT Approval
BOT							
Parcel 2 (Firestone)	2.65	\$1,600,000	*	N/A	\$1,839,000	\$1,839,000	
Parcel 3 (Bloxham Annex)	2.65	\$1,800,000	*	N/A	\$2,005,000	\$2,005,000	
Parcel 4 (715 Gaines Street)	<u>0.44</u> 5.74	N/A	N/A	\$770,000	N/A	<u>\$770,000</u> \$4,614,000**	

*Although not required by Florida statute or rule, at the request of FSU, two appraisals were ordered on the disposition parcels over \$1 million. Due to a significant divergence between the Brown and Marr appraisal values, a third set of appraisals were obtained. Although the Marr appraisals met the minimum appraisal standards, it was determined, based upon the independent appraisal review, that the Marr appraisals were speculative in nature and therefore, have not been considered in the exchange values.

**Notwithstanding the difference in the exchange values between the CRA Parcel and the BOT Parcels, FSU has agreed to pay, and the CRA has agreed to accept, cash boot in the amount of \$960,000.

STAFF REMARKS:

Background

Firestone and Bloxham Annex

The state acquired the Bloxham Annex parcel through multiple acquisitions between 1956 and 1970. The Firestone parcel was acquired by the state in 1963 from Leon County. The Department of Management Services had these parcels under lease, but requested to be released from its lease due to the structures increased maintenance cost and obsolescence. In 2010 and 2011, FSU added the Bloxham Annex and Firestone parcels to its master lease (No. 2736) after receiving notice the parcels would be offered for surplus to the public. FSU is currently using these facilities for storage and surge space; however, the cost of bringing these structures up to current code makes it difficult to realize the space for optimal use. FSU had originally planned to renovate and use the building on the Firestone parcel as a data center/warehouse and would use the Bloxham Annex parcel for supplemental parking.

715 Gaines Street

In 1999, the Florida State University Foundation donated the 715 Gaines Street parcel to the Board of Trustees. The 715 Gaines Street parcel is the home of FSU's Multi-Disciplinary Program which provides social work and speech/occupational therapy opportunities for school age children throughout the Florida panhandle. It is FSU's intention to relocate this program to an area where the programmatic elements more align with area services.

O'Connell

The CRA-owned O'Connell parcel is currently vacant land located at 402 West Gaines Street in close proximity to FSU's Donald Tucker Civic Center.

Substitute Item 2, cont.

Current Request

FSU is requesting this exchange to support its development plans for the Arena District. The Arena District will initially be comprised of the Civic Center and the O'Connell parcel if this exchange is approved. In conjunction with the Civic Center, FSU plans to construct a new College of Business and School of Hospitality for the Arena District on the O'Connell parcel. The redevelopment of the O'Connell parcel is expected to draw approximately 5,000 daily visitors and a separate cohort of special-event visitors. The FSU Board of Trustees approved this proposed exchange on June 27, 2014. If this exchange is approved, the Board of Trustees will take title to the O'Connell parcel and it will be added to FSU's master lease. FSU agrees that any substantive change to the proposed use of the O'Connell parcel, as a College of Business and School of Hospitality, will require FSU to notify the Department of Environmental Protection (DEP) and to obtain prior approval from the Board of Trustees.

If this exchange is approved, the CRA will allow FSU to continue to use the facilities on the 715 Gaines Street parcel for two years at a nominal rent of \$10.00 per year. The CRA will also provide \$50,000 in relocation costs to FSU. In addition, the CRA will provide net proceeds from the sale of the 715 Gaines Street parcel towards redevelopment of the O'Connell parcel.

The CRA has also advised that the 715 Gaines Street parcel will be redeveloped by the private sector as a mixed-use residential development with ground floor retail space. The Firestone and Bloxham Annex parcels will be redeveloped by the private sector into a mixed-use development that will contain public, retail, and residential uses intended to compliment the recently opened Cascade Park as a major destination location and attract new downtown residents. The redevelopment efforts will consider the re-use and/or incorporation of existing improvements on the Firestone and Bloxham Annex parcels, if possible.

The Firestone and Bloxham Annex parcels are located within the Downtown District of the City of Tallahassee's Community Redevelopment Area. Redevelopment of the Firestone and Bloxham Annex parcels will be consistent with the CRA's Downtown District Community Redevelopment Plan. The CRA agrees that any demolition or alteration of any structures located on the Firestone and Bloxham Annex parcels will be subject to rules and statutes administered by the Department of State's Division of Historical Resources.

If this exchange is approved, the three parcels the CRA will receive will add marketable property to the tax rolls within the Greater Frenchtown/Southside District. The added revenue for the City of Tallahassee, Leon County, and Leon County School District will directly benefit the citizens within the City of Tallahassee's Community Redevelopment Area. The CRA Board approved this proposed exchange on June 26, 2014.

FSU advised DEP's Division of State Lands (DSL) of possible contamination on the CRA-owned O'Connell parcel. FSU, in coordination with DSL, ordered and completed a Phase I and Phase II Environmental Site Assessment on the O'Connell parcel. Due to possible contamination above the allowed residential limits, but below commercial limits, the CRA has

agreed in the exchange agreement to either: (1) enter into an environmental escrow agreement with FSU on behalf of the

Substitute Item 2, cont.

Board of Trustees for the deposit of funds sufficient for FSU to bring the O' Connell parcel into full compliance with Environmental Law; or (2) prior to closing, CRA shall at its sole cost and expense, promptly commence and diligently pursue any assessment, clean up and monitoring of the O' Connell parcel necessary to bring the O' Connell parcel into full compliance with Environmental Law. The exchange agreement also indicates the CRA' s maximum cumulative and aggregate cost shall not exceed \$400,000 and that FSU shall be responsible for all costs associated with the required removal of hazardous materials from the O' Connell parcel that exceed \$400,000.

Mineral Interests

Both the Board of Trustees and the CRA will convey their respective lands without a reservation for phosphate, mineral, metal, and petroleum interests as provided by section 253.62, F.S.

Comprehensive Plan

DEP has determined that conveyances of land are not subject to the local government planning process. The acquisition of the CRA's parcel is consistent with section 187.201(17), F.S., the Public Facilities' section of the State Comprehensive Plan.

(See Attachment 2, Pages 1-56)

RECOMMEND APPROVAL

Item 3 Webb Aquaculture Leases

REQUEST: Approval to issue three, ten-acre, ten-year sovereignty submerged land aquaculture bottom leases for the purpose of shellfish aquaculture.

VOTING REQUIREMENT FOR APPROVAL: Three votes

LOCATION: West Bay, Bay County, Florida

APPLICANT: Webb' s Seafood, Inc., Robert Webb and Janet S. Webb

CONSIDERATION: An annual fee of \$267.30 for each ten-acre parcel, representing a base annual rental fee of \$16.73 per acre or fraction thereof; and an annual surcharge of \$10.00 per acre or fraction thereof, pursuant to rule 18-21.022, F.A.C. The annual fee and surcharge collected will be deposited in the General Inspection Trust Fund, pursuant to sections 597.010(5)(b) and (7), F.S.

Item 3, cont.

STAFF REMARKS: The applicants are requesting authorization from the Board of Trustees to use sovereignty submerged lands for aquaculture leases, pursuant to section 253.68(1), F.S. The requested ten-acre leases will be used for the purpose of culturing native oysters on the bottom. Webb' s Seafood, Inc., is a shellfish processing facility and a wholesale distributor that has been operating in Bay County since 1985. The applicants are pursuing oyster leases to provide a consistent and stable supply of oysters to meet the growing demands of their customers.

The applicants plan to plant processed oyster shell on the lease area to provide substrate for oyster larvae to settle on, and after oysters mature, they will be harvested using traditional methods.

The applicants will be required to apply for an Aquaculture Certificate of Registration and comply with the Florida Department of Agriculture and Consumer Services' (FDACS) Aquaculture Best Management Practices. The proposed leases will be subject to the terms and conditions applied to other aquaculture leases issued throughout the state for the same purposes, including the provision that the transfer or sale of the leases will not be approved during the first five years of the lease terms.

Agency Review

FDACS has reviewed the applications and determined that the proposed bottom leases and traditional oyster harvesting activities will not result in adverse impacts to seagrasses, existing shellfish beds or natural reefs or other sensitive habitats. FDACS has reviewed the applications for completeness and evaluated the business plans. Additionally, FDACS has coordinated the review of the applications with the Florida Department of Environmental Protection, the Florida Fish and Wildlife Conservation Commission, the Bay County Board of County Commissioners and the Naval Support Activity Section in Panama City, pursuant to rule 18-21.021, F.A.C., and has received no comments on the proposed lease applications and associated activities.

Public Interest

The proposed leases are not in an aquatic preserve, therefore the activity does not have to be found to be in the public interest. The leases are, however, required to demonstrate that they are " not contrary to the public interest," pursuant to Article X, Section 11 of the Florida Constitution, chapter 253, F.S., and rule 18-21.004(1)(a), F.A.C. Because the Legislature has declared aquaculture to be in the public interest, according to section 253.68(2)(a), F.S., FDACS is of the opinion that the activity meets the test of being " not contrary to the public interest" and otherwise meets all applicable requirements for a proprietary authorization to use sovereignty submerged lands.

Noticing

The proposed lease applications were noticed pursuant to section 253.70, F.S., and no objections were received.

Item 3, cont.

Comprehensive Plan

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

(See Attachment 3, Pages 1-35)

RECOMMEND APPROVAL