

**AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
FEBRUARY 26, 2004**

Item 1 Minutes

Submittal of the Minutes from the December 16, 2003 Cabinet Meeting.

(See Attachment 1, Pages 1-18)

RECOMMEND APPROVAL

Item 2 2004 Florida Forever Five-Year Plan/Florida Forever Priority List

REQUEST: Consideration of (1) the 2004 Florida Forever Five-Year Report of the Acquisition and Restoration Council; and (2) the 2004 Florida Forever Priority List.

STAFF REMARKS: The 2004 Florida Forever Five-Year Report was prepared pursuant to chapter 259, F.S., and rule 18-24, F.A.C. During the Acquisition and Restoration Council (ARC) meetings of August 15, October 17 and December 5, 2003, ARC added nine new projects, removed five projects, and amended the boundaries of thirteen projects on the Florida Forever Priority List. The Five-Year Plan includes the December 2003 Florida Forever Priority List of acquisition projects approved by ARC on December 5, 2003 and proposed for adoption by the Board of Trustees. The Report also includes the descriptions of the projects that were added to the Priority List.

<u>New Projects Added To Priority List</u>	<u>Acres</u>	<u>County</u>
Camp Blanding-Osceola Greenway	153,810	Baker, Bradford, Clay and Union
Flagler County Blueway	8,248	Flagler
Harris School	2	Monroe
Lake Santa Fe	10,735	Alachua and Bradford
Lake Talquin/ Rocky Comfort Creek Add.	400	Gadsden
Mill Creek	12,293	Marion
San Pedro Bay	44,787	Madison and Taylor
Searcy Estate	185	Wakulla
Upper Shoal River	12,035	Walton

<u>Projects Removed From List</u>	<u>Reason</u>	<u>County</u>
Alderman's Ford	should be an FCT project	Hillsborough
Emeralda Marsh	WMD acquiring	Lake and Marion
Fakahatchee Strand	90% complete	Collier
North Fork St. Lucie River	should be an FCT project	St. Lucie
Tate's Hell/ Carrabelle Tract	90% complete	Franklin

<u>Projects with Boundary Amendments</u>	<u>Acres</u>	<u>County</u>
Apalachicola River	1,244	Liberty
Bombing Range Ridge	1,691	Osceola
Brevard Coastal Scrub Ecosystem	7,444	Brevard
Florida Keys Ecosystem	12	Monroe
Florida's First Magnitude Springs:		
Jackson Blue Springs	1,171	Jackson
Lafayette Blue Springs	171	Lafayette
Silver Springs Recharge	365	Marion
Ichetucknee Trace	8	Columbia
Indian River Lagoon Blueway	15	Brevard
Lake Wales Ridge Ecosystem	2,330	Highlands

Item 2, cont.

Letchworth Mounds	1,033	Leon and Jefferson
Nokuse Plantation	9,085	Walton
Northeast Florida Blueway	90	St. Johns and Flagler
Northeast Florida Timberlands and Watershed Reserve	7,043	Nassau
Okeechobee Battlefield	123	Okeechobee

Projects Moved From Group A to Group B

Catfish Creek	Polk
Lake Hatchineha Watershed	Osceola and Polk
Three Chimneys	Volusia
Watermelon Pond	Alachua and Levy

Projects Moved From Group B to Group A

East Everglades	Dade, Broward and Palm Beach
Florida Springs Coastal Greenway	Citrus
Garcon Ecosystem	Santa Rosa
Pumpkin Hill Creek	Duval
Southeast Maternity Bat Caves	Jackson, Marion, Sumter, Citrus and Alachua

All property within the boundaries of the Florida Forever projects, unless specifically noted otherwise, are proposed to be purchased, in fee-simple or a lesser interest, for conservation purposes.

The 2004 Florida Forever Priority List is consistent with section 187.201(10), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

The Florida Forever Five-Year Report was submitted under separate cover.

(See Attachment 2, Pages 1-2)

RECOMMEND ACCEPTANCE OF THE 2004 FLORIDA FOREVER REPORT AND APPROVAL OF THE 2004 FLORIDA FOREVER PRIORITY LIST.

Item 3 USF Research Foundation, Inc./CAUSF Research, LLC/CAUSF Office, LLC Sublease Agreements/Delegation of Authority

REQUEST: Consideration of (1) a 32-year ground sublease agreement between the University of South Florida Research Foundation, Incorporated, and CAUSF Research, LLC; (2) a 32-year ground sublease agreement between the University of South Florida Research Foundation, Incorporated, and CAUSF Office, LLC; (3) a standard form ground sublease agreement for future use by the University of South Florida Research Foundation, Incorporated; and (4) pursuant to section 253.002(1), F.S., delegation of authority to the Secretary of the Department of Environmental Protection, or designee, to approve future ground sublease agreements within the University of South Florida's research park.

COUNTY: Hillsborough
 Lease Number 3209
 Sublease Numbers 3209-07 and 3209-08

APPLICANT: University of South Florida Research Foundation, Incorporated (Foundation)

Item 3, cont.

LOCATION: Section 09, Township 28 South, Range 19 East

CONSIDERATION: \$1.00 per square foot of rentable space per year payable by each sublessee.

STAFF REMARKS: The Foundation, a Florida non-profit corporation and direct support organization established pursuant to section 1004.28, F.S., is the current lessee of Board of Trustees' Lease No. 3209. This lease was originally granted to the Tampa Bay Area Research and Development Authority on November 8, 1982. The lease was subsequently modified on October 1, 1985, and assigned to the Foundation on October 31, 2000. The lease contains approximately 87 acres of land for development of a research park to be located on the campus of the University of South Florida (USF).

The Foundation has arranged for the interim financing of two research buildings on two parcels that are part of the research park site. USF will use 100 percent of the space in the approximately 130,000-square-foot Inter Disciplinary Research Building, while the Foundation will use two-thirds of the space in the approximately 100,000-square-foot Multi-Tenant Office Building, leaving 33,333-square-feet to be subleased to private research entities. To facilitate the financing, two separate limited liability companies (LLC) will become the sublessees of the land and will receive interim bank loans. Upon receiving the required legislative approvals, the Foundation will issue bonds to provide permanent financing and become the 100 percent owner of one LLC and the majority owner of the second LLC.

The original lease agreement provides that each sublease of the subject land is to be approved by the Board of Trustees and that a Non-Disturbance, Recognition and Direct Leasing Agreement (Non-Disturbance Agreement) is to be executed by the Board of Trustees, the Foundation and the sublessee, evidencing such approval and providing related agreements among such parties. The standard form of the Non-Disturbance Agreement was originally approved by the Board of Trustees on November 8, 1982, as Exhibit "B" of Lease No. 3209. Section 6 of the Non-Disturbance Agreement provides that "Subtenant may freely sublet the Premises." The Foundation is requesting approval as to each of the respective subleases of the footprints of each building. Under each sublease, rent in an amount equal to \$1.00 per square foot of rentable space will be paid annually to the Foundation. In order to expedite further development of the research park, the Foundation is also requesting that the Secretary of the Department of Environmental Protection, or designee, be given the delegated authority to approve future subleases by the Foundation as to the sublessee of the research park lands for research and development purposes, so long as any future sublease is in the standard form of the ground sublease presently being considered for approval. Granting of the requested approvals will allow closing of the interim financing of construction costs and construction to commence. The overall plan of the Research Park provides for eight additional sites/subleases.

The Department of Environmental Protection, Division of State Lands (DSL), does not have delegated authority to approve subleases greater than one-quarter acre in size to for-profit entities; therefore, these subleases are being submitted to the Board of Trustees for approval. Pursuant to section 18-2.018(2)(i), F.A.C., the Board of Trustees shall authorize uses of uplands that will generate income or revenue to a private user, or will limit or preempt use by the general public, on the basis of competitive bidding unless the Board of Trustees determines it to be in the public interest to do otherwise. Pursuant to section 18-2.018(1)(a), F.A.C., the decision to authorize the use of Board of Trustees-owned uplands requires a determination that such use is not contrary to the public interest. The Foundation will provide two new buildings

Item 3, cont.

in its research park adding more than 230,000 square feet for laboratories, offices for corporate partners, an expanded business incubator and the Center for Biological Defense. The complex will bring scientists and entrepreneurs side-by-side to share innovations and make advancements that succeed in the laboratory and in the marketplace. This project will facilitate USF's provision of a wide variety of research programs with expectations of offering additional degree programs including both bachelors and graduate degrees. For these reasons, DSL staff agrees that these subleases are not contrary to the public interest.

A local government comprehensive plan has been adopted for this area pursuant to section 163.3167, F.S.; however, the Department of Community Affairs (DCA) determined that the plan was not in compliance. In accordance with the compliance agreement between DCA and the local government, an amendment to the comprehensive plan has been adopted. The proposed action is consistent with the adopted plan as amended according to a letter received from Hillsborough County.

(See Attachment 3, Pages 1-111)

RECOMMEND APPROVAL

Item 4 **TNC Charitable Trust Assignment of Option Agreement/Ochlockonee River State Park Additions and Inholdings Project**

REQUEST: Consideration of the acceptance of an assignment of an option agreement to acquire 153.9 acres within the Ochlockonee River State Park Additions and Inholdings Project from The Nature Conservancy Charitable Trust.

COUNTY: Wakulla

LOCATION: Section 35, Township 05 South, Range 03 West

CONSIDERATION: \$393,975 (\$382,500 for the acquisition; and \$11,475 for the purchase of the option agreement)

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Carroll (10/08/03)	APPROVED <u>VALUE</u>	SELLER'S PURCHASE <u>PRICE</u>	TRUSTEES' PURCHASE <u>PRICE</u>	OPTION <u>DATE</u>
St. Joe Timberland Co.	153.9	\$400,000	\$400,000	*	\$393,975** (98%)	05/30/04

* This property is part of a larger tract. The seller has held the property for more than 10 years.
** \$2,560 per acre

STAFF REMARKS: The Ochlockonee River State Park Addition project has been identified on the Department of Environmental Protection's (DEP) Division of Recreation and Parks' (DRP) Additions and Inholdings List. This agreement was negotiated by The Nature Conservancy (TNC) under the State Parks' Additions and Inholdings Florida Forever program.

Pursuant to a multi-party acquisition agreement entered into between DEP's Division of State Lands (DSL) and TNC, TNC has acquired an option to purchase this 153.9-acre property from the St. Joe Timberland Company of Delaware L.L.C. (St. Joe Company). After this acquisition is approved, the Board of Trustees will acquire the option from TNC for \$11,475, which represents the agreed upon compensation to TNC for overhead associated with acquiring

Item 4, cont.

the option. The assignment of option agreement provides that payment to TNC is contingent upon the Board of Trustees successfully acquiring the property from the owner. The assignment of option agreement further provides that in no event will the purchase price for the option and the purchase price of the property exceed the DSL approved value of the property.

All mortgages and liens will be satisfied at the time of closing. There is a 30-foot access easement benefiting the adjacent landowner to the north. The St. Joe Company has granted the Board of Trustees an easement for the access road to Ochlockonee River State Park that traverses the center of this tract. The easements were considered by the appraiser in the final reconciliation of value. DRP, the future managing agency, has determined that the property can be managed with the easements in place. Because these issues were discovered during preliminary due diligence, further research may change the facts and scope of each issue and; therefore, DEP staff will review, evaluate and implement an appropriate resolution for these and any other title issues that arise prior to closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately.

A title insurance policy, survey, environmental site evaluation and if necessary an environmental site assessment will be provided by the purchaser prior to closing.

The approximately 153.9-acre tract, located in southwestern Wakulla County, Florida, lies on the east side of U.S. Highway 319 at the entrance of Ochlockonee River State Park. The tract is comprised primarily of uplands. The majority of the pineland on-site has been converted to pine plantation. The remainder of the tract is wet in nature and is comprised of a fair quality Baygall, Floodplain forest and Floodplain swamp assemblage that can be used by migratory birds as well as various reptiles and amphibians. The primary threats to the tract are conversion to more intense agricultural uses and residential and/or commercial development. Development of the tract would not be in the best interest of the park, as the park's main entrance traverses the center of the property. Furthermore, the addition is situated between the Sopchoppy and Ochlockonee Rivers. Although the water quality is considered good in both of these rivers, it is showing signs of degradation from the invasion of exotic plants (chiefly hydrilla) as well as probable water quality problems that may relate to surrounding development and other human disturbances. From the state park, where the two rivers meet, to the Gulf of Mexico is 10 miles. The park itself supports a red-cockaded woodpecker colony.

This property will be managed by DRP as an addition to Ochlockonee River State Park.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 4, Pages 1-24)

RECOMMEND APPROVAL

**Item 5 Police & Fire Pension Fund Option Agreement/Northeast Florida
Timberlands Florida Forever Project/Managing Agency Designation/
Management Policy Statement Confirmation**

DEFERRED FROM THE FEBRUARY 10, 2004 AGENDA

REQUEST: Consideration of (1) an option agreement to acquire two parcels totaling 8,666.10 acres within the Northeast Florida Timberlands Florida Forever project from the Police and Fire Pension Fund of the City of Dallas, Texas; (2) designation of the Department of Agriculture and Consumer Services' Division of Forestry as the managing agency; and (3) confirmation of the management policy statement.

COUNTY: Clay

LOCATION: Sections 11 through 14, 23 through 27 and 34 through 36, Township 07 South, Range 24 East; and Sections 01, 02 and 11 through 14, Township 08 South, Range 24 East

CONSIDERATION: \$13,044,650 (\$500,000 of which are federal funds)

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED VALUE</u>	<u>SELLER'S</u>	<u>TRUSTEES'</u>	<u>OPTION DATE</u>
		<u>Lampe (01/14/03)</u>	<u>Ryan (01/27/03)</u>		<u>PURCHASE PRICE</u>	<u>PURCHASE PRICE</u>	
Police and Fire	8,466.10*	\$14,732,400	\$14,300,000	\$14,232,400**	\$10,400,000***	\$12,544,650 (88%)	120 days after BOT approval
Police and Fire	200.00		Ryan (11/28/03) \$584,000	\$500,000****		\$500,000 (100%)	120 days after BOT approval
Totals	8,666.10			\$14,732,400		\$13,044,650****	

* This acreage reflects the 8,666.10 acres appraised, reduced by the 200 acres partially funded by federal money.
 ** The reduced approved value reflects the subtraction of the 200 acres partially funded by federal money.
 *** The entire 8,666.10 acres were purchased on June 16, 2000, for \$10,400,000.
 **** \$1,505 per acre
 ***** The reduced approved value reflects the subtraction of 33.5 acres from acres funded by federal money.

STAFF REMARKS: The Northeast Florida Timberlands project is an "A" group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on August 26, 2003. The project contains 157,841 acres. While 19,448 acres are in public ownership, these will be the first to be acquired by the Board of Trustees. After the Board of Trustees approves this agreement, 129,726.9 acres, or 82 percent of the project, will remain to be acquired.

The 200-acre parcel will be partially funded with \$500,000 of federal money made available through a cooperative agreement between the Department of Environmental Protection (DEP) and the National Guard Bureau, pursuant to the National Defense Authorization Act for FY 2003. Obligation of this funding to purchase land adjacent to Camp Blanding is the first use of this section 2811 Encroachment Buffering authority. It paves the way for other military installations in the nation to partner with states and conservation organizations to acquire land for conservation and national security purposes. The federal money will be applied to a discrete portion of the property for which the seller will issue a separate deed. The need for this procedure arises from the authority granted to the Secretary of the Army to demand conveyance of property acquired with such federal funds, apparently without compensation. Therefore, Florida Forever funds will not be commingled with the federal funds, nor will title to the lands purchased with these two sources of funding be commingled.

Item 5, cont.

All mortgages and liens will be satisfied at the time of closing on both parcels. There are two oil, gas, and mineral leases dating back to the 1940s that the appraisers assume to be expired. There is an oil, gas and mineral reservation encumbering less than fifteen percent of the property in favor of Foremost Properties, Inc., dating from 1950 with no right of entry. A reservation, with right of entry, in favor of the Reinhold Corporation of an undivided one-half interest in and to all oil and mineral rights encumbers the entire property. Cripple Creek Hunting Club holds an unrecorded hunting lease encumbering the entirety of the subject lands. The hunting lease will expire by June 30, 2004. There is also a timber lease encumbering 97.80 acres of the subject lands. The timber lease will expire by April 15, 2004. The oil, gas and mineral reservations and the hunting lease were considered by the appraisers in their final reconciliation of value. The Bureau of Geology has indicated there is some potential commercial development regarding the heavy minerals and quartz sand. However, it may not be economically viable considering ownership is only one-half interest and one-half of the profits would go to the surface owner. Because these issues were discovered during preliminary due diligence, further research may change the facts and scope of each issue and; therefore, DEP staff will review, evaluate and implement an appropriate resolution for these and any other title issues that arise prior to closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately. A title insurance policy, a survey, an environmental site evaluation and, if necessary, an environmental site assessment will be provided by the purchaser prior to closing.

The three-county corridor of the Northeast Florida Timberlands Watershed and Reserve will create a conservation landscape connecting several high-quality managed areas, including Jennings State Forest, Cecil Field Conservation Corridor, Cary State Forest and Timucuan Ecological and Historic Preserve. The project area will also connect with two military reservations, Camp Blanding and Whitehouse Naval Outlying Field, and is contiguous at the southern end with, Etoniah/Cross Florida Greenway Florida Forever Project. The Greenways and Trails Coordinating Council identified it as a highly important conservation corridor in its statewide analysis. The project's size and diversity makes it desirable for use and management as a state forest.

Pursuant to section 259.032(9)(e), F.S., staff recommends that the Board of Trustees designate the Department of Agriculture and Consumer Services' Division of Forestry as the managing agency for this site. The site will be managed under a multiple-use management regime consistent with the state forest system.

Section 259.032(9)(e), F.S., requires that the Board of Trustees, concurrent with its approval of the initial acquisition agreement within a project, "evaluate and amend, as appropriate, the management policy statement for the project as provided by section 259.035, F.S., consistent with the purposes for which the lands are acquired." The management policy statement for this project was included in the 2003 Florida Forever Annual Report adopted by the Board of Trustees on August 26, 2003. Staff recommends that the Board of Trustees confirm the management policy statement as follows:

The Division of Forestry proposes to manage the project under a multiple-use management regime consistent with the DOF management of the Cary State Forest, the Jennings State Forest and the Cecil Field Conservation Corridor, all of which are adjacent to this project. The acquisition goals and objectives as approved by ARC would include timber management and restoration, low-impact diverse recreation uses, and management of archeological and historic sites, habitat and other biological resources.

Item 5, cont.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 4, submitted with the 2/10/04 BOT Agenda)

RECOMMEND APPROVAL

**Item 6 **SJRWMD Acquisition Agreement/Four Creeks Forest/Thomas Creek/
Northeast Florida Timberlands Florida Forever Project****

WITHDRAWN FROM THE JANUARY 27, 2004 AGENDA

REQUEST: Authority to enter into an acquisition agreement with the St. Johns River Water Management District for two parcels, Four Creeks and Thomas Creek, owned by Rayonier in the Northeast Florida Timberlands Florida Forever project.

COUNTIES: Nassau and Duval

LOCATION: Sections 13, 14, 22 through 24, 27, 43, 44, 46 and 52, Township 02 North, Range 25 East; Sections 07 through 10, 13 through 18, 35, 36, 40, 42, 43, 45 and 46, Township 02 North, Range 26 East; Sections 25, 34 and 35, Township 01 North, Range 24 East; Sections 04 through 06, 20, 31, 32, 40, 41, 43 and 44, Township 01 North, Range 25 East

STAFF REMARKS: The Northeast Florida Timberlands project is an "A" group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on August 26, 2003. The project contains 157,841 acres, of which 19,448 acres have been acquired or are under agreement to be acquired.

To facilitate the acquisition of this project, the St. Johns River Water Management District (District) has offered to take the lead in the acquisition of the Four Creeks Forest parcel (Rayonier/9,504 acres) and the Thomas Creek parcel (Rayonier/2,700 acres, consisting of two parcels). Department of Environmental Protection (DEP) staff has prepared an agreement that would allow the District to acquire the parcels within the Northeast Florida Timberlands Florida Forever project in accordance with section 259.041(17), F.S., utilizing the procedures set out in section 373.139, F.S. On September 13, 1994, the Board of Trustees approved the use of the District's procedures to allow the District to acquire lands to be held jointly by the Board of Trustees and the District. Pursuant to section 373.139, F.S., the District has identified these parcels as needed for water management, water supply, and the conservation and protection of water resources.

On December 9, 2003, the Governing Board of the District approved and executed the agreement. Incorporated into the agreement are a number of assurances that the District is giving the Board of Trustees in return for its consideration of this agreement. The District has agreed to: (1) comply with the procedures set out in section 373.139, F.S.; (2) defend the Board of Trustees against all title and survey disputes or defects and environmental contamination associated with each acquisition negotiated by the District that were either known or should have been known by the District at the time the District acquired the parcel;

Item 6, cont.

and (3) reimburse the Board of Trustees for any overpayment of the Trustees' purchase price if an audit or investigation determines that the purchase price paid by the Trustee's exceeded 50 percent of the actual value.

Pursuant to the proposed agreement, District staff will obtain and review appraisals, negotiate a purchase contract and secure the approval of its Governing Board. The District will provide the DSL with a board resolution requesting reimbursement of the Board of Trustees' share of the purchase price. DEP staff will seek approval for the Board of Trustees' share of the purchase price for each parcel the District contracts to purchase. In addition, the agreement provides for the District, under some circumstances, to be reimbursed 50 percent of all costs associated with its attempt to acquire lands within the project, including all pre-acquisition and closing related costs, with the pre-acquisition costs and certain closing costs being reimbursed even if the District is unsuccessful in acquiring any property. If the Board of Trustees approves a specific purchase, the District will proceed to closing with title to be vested jointly, with the District and the Board of Trustees each holding an undivided 50 percent interest.

The Northeast Florida Timberlands project will be managed by the Department of Agriculture and Consumer Services' Division of Forestry under a multiple-use management regime consistent with the State Forest system.

This acquisition will be consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 6, Pages 1-14)

RECOMMEND APPROVAL

Item 7 Three Rivers Land LLC Acquisition/Northeast Florida Timberlands Florida Forever Project

REQUEST: Consideration of authorization to acquire a 50 percent, undivided interest in 9,504 acres within the Northeast Florida Timberlands Florida Forever project from Three Rivers Land LLC.

COUNTY: Nassau

LOCATION: Sections 07 through 09, 13 through 24, 27, 28, 40 through 43, and 45, Township, 02 North, Range 26 East; and Sections 13 through 15, 22 through 24, 27, 37, 43, 44, 46 and 52, Township 02 North, Range 25 East

CONSIDERATION: \$12,718,088.32 (Board of Trustees' 50 percent share of the total purchase price of \$25,436,176.64)

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
		<u>(10/15/03)</u>	<u>(10/15/03)</u>				
Three Rivers Land, LLC	9,504	\$27,960,000	\$26,100,000	\$27,960,000	\$27,400,000*	\$12,718,088.32** (50%)	19 months after BOT approval

* Seller's price for the parent tract of 15,188 acres. Seller will close on the parent tract on February 16, 2004.
** \$2,676.37 per acre

Item 7, cont.

STAFF REMARKS: The Northeast Florida Timberlands is an “A” group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on August 26, 2003. The project contains 157,841 acres, of which 19,448 acres have been acquired or are under agreement to be acquired. Should the Board of Trustees approve this agreement, and another agreement in the Northeast Florida Timberlands project on today’s agenda, 120,222.9 acres, or 76 percent of the project, will remain to be acquired.

On December 5, 2003 the Acquisition and Restoration Council approved a boundary amendment of 7,043 acres that is a part of this acquisition. Acquisition of this parcel will provide protection to Plummer Creek, Mills Creek, Alligator Creek and Thomas Creek along with their associated wetland systems. These creeks join together to form the Nassau River.

The St. Johns River Water Management District (District) has taken the lead in order to facilitate the acquisition of this property pursuant to the acquisition agreement being considered for approval by the Board of Trustees today. The District obtained appraisals and negotiated an option agreement to acquire 12,886 acres of the original 15,180-acre parent tract from Three Rivers Land, LLC. Following discussions with Department of Environmental Protection, (DEP) Division of State Lands’ (DSL) staff regarding potential sovereign land issues, the acreage amount was reduced to 9,504 acres and new appraisals were ordered. The Board of Trustees will obtain an undivided 50 percent interest in the parcel for a purchase price of approximately \$12,700,000 with the District obtaining the remaining 50 percent undivided interest in the parcel for a purchase price of approximately \$12,700,000. The actual amount of each party’s contribution may change after a final determination of acreage is made. The seller agrees within five years from the date of closing on the property with the District and the Board of Trustees that a conservation easement will be donated to the District on the adjoining 837 acres.

The Governing Board of the District adopted Resolution No. 2003-27 on December 10, 2003, which approved the acquisition agreement between the District and the Board of Trustees, the purchase price, and the option agreement between the District and Three Rivers Land, LLC. After the Board of Trustees approves this acquisition, the District will exercise the option and purchase the property from Three Rivers Land, LLC. The District will close the transaction on behalf of the Board of Trustees, subject to DSL approval of the due-diligence items and closing documents that are referenced in the “Authorization to Proceed” paragraph of the Acquisition and Ownership Agreement.

All mortgages and liens will be satisfied at the time of closing. While there are numerous easements, all easements are assumed to be those typical of large tracts. A review of the title work yielded mineral rights (oil, gas, etc.) that could potentially influence value; however, no known such minerals exist in the area, and there appears to be no right of entry to retrieve them. Because these issues were discovered during preliminary due diligence, further research may change the facts and scope of each issue and, therefore, DEP staff will review, evaluate and implement an appropriate resolution for these and any other title issues that arise prior to closing in coordination with the District. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately.

A title insurance policy will be provided by the seller, and a survey and an environmental site evaluation, if necessary, an environmental site assessment will be provided by the purchaser prior to closing. The Board of Trustees and the District will each be responsible for 50 percent of the cost of the purchaser-provided due diligence items.

Item 7, cont.

The three-county corridor of the Northeast Florida Timberlands Watershed and Reserve will create a conservation landscape connecting several high-quality managed areas, including Jennings State Forest, Cecil Field Conservation Corridor, Cary State Forest and Timucuan Ecological and Historic Preserve. The project area will also connect with two military reservations, Camp Blanding and Whitehouse Naval Outlying Field, and is contiguous at the southern end with the Etoniah/Cross Florida Greenway Florida Forever Project. The Greenways and Trails Coordinating Council identified it as a highly important conservation corridor in its statewide analysis. The project's size and diversity makes it desirable for use and management as a state forest.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 7, Pages 1-48)

RECOMMEND DISCUSSION