

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:

STATE BOARD OF ADMINISTRATION
DIVISION OF BOND FINANCE
FINANCIAL SERVICES COMMISSION
ADMINISTRATION COMMISSION
FLORIDA LAND & WATER ADJUDICATORY COMMISSION
BOARD OF TRUSTEES

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Bush presiding, in the
Cabinet Meeting Room, LL-03, The Capitol, Tallahassee, Florida,
on the 9th day of August, 2005, commencing at approximately
9:30 a.m.

Reported by:

KRISTEN L. BENTLEY
Certified Court Reporter

ACCURATE STENOGRAPHY REPORTERS, INC.
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TALLAHASSEE, FL 32308 (850)878-2221

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APPEARANCES:

2

Representing the Florida Cabinet:

8-9-05CabinetMeeting (2).txt
JEB BUSH
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

CHARLIE CRIST
Attorney General

TOM GALLAGHER
Chief Financial Officer

* * *

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I N D E X

3

STATE BOARD OF ADMINISTRATION
(Presented by COLEMAN STIPANOVICH)

ITEM	ACTION	PAGE
1	Approved	5
2	Approved	5
3	Approved	6
4	Approved	6

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DIVISION OF BOND FINANCE
(Presented by Ben Watkins)

ITEM	ACTION	PAGE
1	Approved	7
2	Approved	7
3	Approved	7
4	Approved	8
5	Approved	8
6	Approved	9
7	Approved	10
8	Approved	10
9	Approved	11
10	Approved	12
11	Approved	13

FINANCIAL SERVICE COMMISSION
(Presented by Kevin McCarty)

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1	Approved	16
2	Approved	16
3	Approved	17
4	Approved	17
5	Approved	17
6	Approved	17
7	Approved	18
8	Approved	18
9	withdrawn	18
10	withdrawn	18
11	Approved	19
12	Approved	19
12	Approved	19

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ADMINISTRATION COMMISSION
(Presented by Teresa Tinker)

ITEM	ACTION	PAGE
1	Approved	29
2	Approved	50
3	Deferred	100

FLAWAC
(Presented by Teresa Tinker)

ITEM	ACTION	PAGE
1	Approved	102
2	Approved	102

BOARD OF TRUSTEES
(Presented by COLLEEN CASTILLE)

ITEM	ACTION	PAGE
1	Approved	113
2	Approved	153
3	Approved	153
4	Withdrawn	154
5	Withdrawn	154
6	Approved	155
7	Approved	155
8	Approved	155
9	Approved	156
10	Deferred	156
11	Approved	

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1 PROCEEDINGS
2 MS. SMITH: I am here as chairman of the Mansion
3 Commission. It has been a continuing tradition at the
4 Mansion for each family, upon their departure, to make a
5 significant contribution. Among the most recent gifts
6 were the two bronzes, the Manatee Dance commissioned by
7 Governor Bob and Mary Jane Martinez and Florida's finest,
8 the bronze between the parking lot and the Mansion done by
9 Sandy Proctor of Tallahassee, commissioned by Lawton --
10 Governor and Ms. Chiles.

11 In keeping with this tradition, the Mansion
12 Foundation has proposed a library addition to the Mansion
13 as a fitting tribute to Governor and Ms. Bush's commitment
Page 4

14 to literacy. The library would include first edition
15 books about various topics related to Florida, books by
16 Florida authors and memorabilia from each of the 11
17 families that have lived in the Mansion. The proposed
18 structure will extend off of the state reception room to
19 the west and be approximately three-fourths of the size of
20 the Florida room which was completed in 1985 by Governor
21 and Ms. Graham.

22 I'm here to ask your approval on this project on
23 behalf of the Mansion Commission and Foundation. In June
24 of this year, 2005, the Foundation and the Commission both
25 voted unanimously to approve this project. And the

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1 Foundation voted to raise all the funds necessary for its⁶
2 completion. The Tallahassee architectural firm of Ferren
3 and Associates -- Architects, excuse me, has been selected
4 by the Foundation to design the new addition.

5 And you may or may not be aware that this is the
6 year, 2006, that the Mansion becomes eligible for a place
7 on the National Register of Historic Places. The
8 Foundation and the Commission are both committed to
9 protecting and preserving its integrity and eligibility
10 for this national distinction. An architectural review
11 committee comprised of outstanding Florida architects all
12 with knowledge and expertise in this field have agreed to
13 work with Mr. Ferren to produce an acceptable design that
14 will meet the Department of Interior's standards.

15 Upon approval by the Governor and the cabinet, a
16 contract will be entered into between Department of

17 Management Services, the Foundation, and Ferren
18 Architects. The total estimated cost is \$500,000. And we
19 would like to have it completed and dedicated by
20 December 2006, the final month of Governor Bush's
21 administration.

22 At this time, I would like to introduce Bob Ferren,
23 the architect, and he will be followed by Carole Beck who
24 is the curator at the Mansion. Thank you.

25 MR. FERREN: Good morning, Governor, cabinet, ladies
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1 and gentlemen. I guess I'm the Ferren Architects. I'm⁷
2 Bob Ferren. As Carole kind of described very quickly, I
3 have a board and I don't know if you-all can see it.
4 Probably what I'll do is I'll pass it up there and you-all
5 can look at it if you'd like to.

6 As Carole suggested, what it shows is an addition --
7 well, yeah, there we go. There we go. (Pause.) Here's
8 the state reception room, the Florida room, what is being
9 proposed is approximately a 550-square-foot addition to
10 the west of the reception room, this library addition. If
11 we are authorized to proceed, the design and services
12 would begin around September, be completed around December
13 or November, working with the committee that Carole
14 discussed. We're very fortunate to have Herschel Shepard
15 working with us on this committee, Walt Marder, Arthur
16 Lobby and Carlos Alfonso, they're going to be working with
17 our firm as we develop the documents for this addition.
18 We can see our design documents being completed by
19 December and construction starting in January of '06 with
20 it being finalized in late summer of '06.

21 THE GOVERNOR: What's the shaded areas?

22 MR. FERREN: The shaded area represents the existing
23 portico. It's the brick pavers that are out right now.
24 Right now, you have brick pavers outside the Florida room.
25 And the portico extends straight across in this direction.

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1 THE GOVERNOR: Okay. That's the part I was asking ⁸
2 about. That doesn't exist completely, does it?

3 MR. FERREN: No, it doesn't. What we're proposing is
4 kind of bending this around a little bit so that you have
5 a direct access with the portico off the library space so
6 you kind of flow through that space back to the outside.
7 There is such a nice space out there.

8 THE GOVERNOR: Thank you.

9 MR. FERREN: I had three minutes. (Laughter.) I
10 think that's it. But we'll be able to get everything
11 completed by the summer of 2006. So that's good that
12 groundbreaking will start.

13 THE GOVERNOR: And the one remaining issue relates to
14 the historic preservation, the National Register?

15 MR. FERREN: That is correct.

16 THE GOVERNOR: How do you get approval for an
17 addition of a building that's teed up to gain that status?

18 MR. FERREN: Carole will do that.

19 THE GOVERNOR: Carole, that's your question?

20 MR. FERREN: It won't take that long. But the
21 biggest thing is working with the gentlemen I mentioned
22 earlier, Herschel Shepard working directly with the
23 developer, working together, Walt Marder, Carlos Alfonso

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24 and Mark Forlock and his esteemed committee working with
25 our firm are very competent to maintain the integrity of
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1 the Mansion -- (Inaudible.) 9

2 THE GOVERNOR: Carole?

3 MS. BECK: Carole Beck and I believe Bob did a
4 wonderful job of saying exactly what the priority of the
5 Governor's Mansion Foundation and commission has been all
6 along with this proposal. I'd like to just summarize it.

7 The primary goal of this proposed Governor's Mansion
8 Library is to reflect the priority of literacy that our
9 governor and our first lady have championed over the eight
10 years of their tenure at the People's Home of Florida.
11 The proposed library will contain books about Florida and
12 its history encompassing many diverse topics from history,
13 literature, civil rights, politics and Florida's ecology
14 to name just a few and will include the works of Florida's
15 most accomplished authors. Many of these books have
16 already been collected and are in boxes at the Mansion
17 awaiting a new home. It will be a gathering space for
18 future residents and their families as well as an
19 additional public space for all of the many events hosted
20 by our governors.

21 As you've heard, the size of the room will increase
22 our space by approximately three-fourths the size of the
23 Florida room which has served us so exceptionally well
24 since it was completed 20 years ago. The due diligence
25 has been exercised by both the Foundation and the

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1 Commission first by choosing an architect with this kind¹⁰
2 of sensitivity to historic projects. Bob Ferren and his
3 company have the experience and that sensitivity along
4 with our review team.

5 It's important to note that buildings of this sort --
6 additions of this sort must retain the historic character
7 of an 18th century colonial home after which our home is
8 modeled. I might add that there are numerous examples in
9 Williamsburg and Monticello of important 18th century
10 homes that would have and did include libraries within the
11 residences of both the governor and important homes of the
12 period. And those will be the models that we will look
13 to.

14 We have been in touch with the keeper of the National
15 Register this summer. They are aware of our plans and
16 they're very impressed by the team that is in place. To
17 summarize, we expect the library addition will take
18 approximately nine months to complete. The bulk of the
19 construction will be completed by the fall of 2006. DMS
20 will act as the project manager and will enter into a
21 contract with the architect and the Mansion Foundation
22 which is solely responsible for funding.

23 With the approval of our governor and cabinet, we
24 will begin immediately to create an outstanding addition
25 that will be cherished for many generations to come.

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1 CFO GALLAGHER: Motion.
2 GENERAL CRIST: Second.

11

3 THE GOVERNOR: There's a motion and a second. Any
4 discussion? without objection, the motion passes. Thank
5 you all very much. Thanks for coming. This is an
6 exciting project. Anybody wants to donate books of
7 historical value for our state, please do so.

8 CFO GALLAGHER: Bronson is announcing he's getting a
9 horse and pen and a cow --

10 COMMISSIONER BRONSON: I see there's a big difference
11 between the governors of the state and the commissioners
12 of agriculture. They're going to build a horse barn and a
13 hog pen for us.

14 (Laughter.)

15 CFO GALLAGHER: It's going to have a big sign on
16 it --

17 COMMISSIONER BRONSON: If it works, it works.

18 THE GOVERNOR: I thought we banned pigs from the
19 state, Commissioner?

20 (Laughter.)

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STATE BOARD OF ADMINISTRATION 8-9-05

1 GOVERNOR BUSH: The next cabinet meeting is Tuesday,
2 August 23rd, 2005. If you don't mind, since this may be
3 an extended agenda, I thought we could get the State Board
4 done first.

5 Coleman, are you here? There he is.

6 CFO GALLAGHER: Motion on the minutes.

7 GENERAL CRIST: Second.

8 GOVERNOR BUSH: There's a motion and a second on
9 Item 1. Without objection, the item passes.

10 MR. STIPANOVICH: Item 2 is request for approval of
11 fiscal sufficiency of amount not exceeding 200 million
12 State of Florida full faith and credit, State Board of
13 Education Public Education Capital Outlay bonds.

14 GENERAL CRIST: Motion on 2.

15 CFO GALLAGHER: Second.

16 GOVERNOR BUSH: There's a motion and a second.
17 Without objection, the item passes.

18 MR. STIPANOVICH: Item 3 is request for approval of
19 fiscal sufficiency of an amount not exceeding 130 million
20 State of Florida, Department of Management Services,
21 Florida facilities pool revenue refunding bonds.

22 CFO GALLAGHER: Motion.

23 GENERAL CRIST: Second.

24 GOVERNOR BUSH: There is a motion and a second.
25 Without objection, the item passes.

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STATE BOARD OF ADMINISTRATION 8-9-05

1 MR. STIPANOVICH: And the final item, 4, is request
2 for approval of fiscal determination of amount not
3 exceeding 19,475,000 tax exempt Florida Housing Finance
4 Corporation multifamily mortgage revenue refunding bonds.

5 GENERAL CRIST: Motion on four.

6 CFO GALLAGHER: Second.

7 GOVERNOR BUSH: There's a motion and a second.
8 Without objection, the item passes.

9 Thank you, Coleman.

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MR. STIPANOVICH: Thank you, Governor and members.

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DIVISION OF BOND FINANCE - 8/9/05

14

1 GOVERNOR BUSH: Ben Watkins.
2 CFO GALLAGHER: Motion on the minutes.
3 GENERAL CRIST: Second.
4 GOVERNOR BUSH: There's a motion and a second on
5 Item 1. Without objection, it passes.
6 Item 2.
7 MR. WATKINS: Item 2 is a resolution authorizing the
8 issuance of up to \$616,300,000 in PECO bonds and a
9 resolution authorizing the competitive sale of up to
10 200 million of that authorization.
11 CFO GALLAGHER: Motion.
12 GENERAL CRIST: Second.
13 GOVERNOR BUSH: There's a motion and a second.

14 Without objection, the item passes.

15 MR. WATKINS: Item No. 3 is a resolution authorizing
16 the issuance and competitive sale of up to \$130 million in
17 Florida facilities pool revenue refunding bonds.

18 CFO GALLAGHER: Motion.

19 COMMISSIONER BRONSON: Second.

20 GOVERNOR BUSH: There's a motion and a second.

21 Without objection, the item passes.

22 MR. WATKINS: Item 4 are resolutions authorizing the
23 issuance of up to \$24.5 million of parking facility
24 revenue bonds for Florida State University and restating
25 the original bond resolution.

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1 GOVERNOR BUSH: The Seminoles? The FSU Seminoles?¹⁵

2 MR. WATKINS: Yes, sir, that would be the FSU
3 Seminoles.

4 CFO GALLAGHER: Motion.

5 COMMISSIONER BRONSON: Second.

6 GOVERNOR BUSH: There's a motion and a second.

7 Without objection, the item passes.

8 MR. WATKINS: Item No. 5 is a report of award on the
9 negotiated sale of 62,340,000 of State infrastructure bank
10 bonds for transportation projects. The bonds were
11 negotiated at true interest cost rate of approximately
12 3.96 percent.

13 CFO GALLAGHER: Motion on 5.

14 COMMISSIONER BRONSON: Second.

15 GOVERNOR BUSH: There's a motion and a second.

16 Without objection, the item passes.

17 MR. WATKINS: Item No. 6 is a report of award on the
18 competitive sale of \$355,135,000 in PECO refunding bonds.
19 The bonds were awarded to the low bidder at a true
20 interest cost of 4.09 percent, generating gross debt
21 service savings of \$44.1 million and \$28.8 million on a
22 present value basis.

23 CFO GALLAGHER: 1,800,000 a year.

24 MR. WATKINS: Sir?

25 CFO GALLAGHER: That's a 1,800,000 a year.

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DIVISION OF BOND FINANCE - 8/9/05

16

1 MR. WATKINS: Correct.

2 CFO GALLAGHER: Motion on 6.

3 COMMISSIONER BRONSON: Second.

4 GOVERNOR BUSH: There's a motion and a second.
5 without objection, the item passes.

6 Ben, do you think we're nearing the end of the
7 refunding?

8 MR. WATKINS: You know, I've been thinking that for a
9 year and a half now, Governor.

10 GOVERNOR BUSH: I've been asking you for a year and a
11 half.

12 MR. WATKINS: I hesitate to do that.

13 GOVERNOR BUSH: Well, don't answer it because -- be
14 noncommittal because it looks like it's working.

15 MR. WATKINS: It is. The Fed is doing everything
16 they can to jawbone long rates higher.

17 GOVERNOR BUSH: They raised short rates today or
18 yesterday? They're raising them.

19 MR. WATKINS: It is going to be this afternoon.
20 Everyone anticipates, the market widely anticipates a

21 quarter point. And more importantly sort of what they say
22 in their comments and what the change in their outlook is.
23 But rates, you know, long rates have gone up about 30
24 basis points in the last month. So, you know, I don't
25 know when the party ends, but we're participating -- we're

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DIVISION OF BOND FINANCE - 8/9/05

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1 dancing while we can.

2 Item No. 7 is a report of award on the competitive
3 sale of \$163,400,000 in PECO bonds. The bonds were
4 awarded to the low bidder at a true interest cost of
5 4.37 percent.

6 CFO GALLAGHER: We're seeing these rates climb a
7 little bit just in the negotiated and in the bid so it's
8 reflecting on the increase that's happened on long term.
9 Motion on 7.

10 GENERAL CRIST: Second.

11 GOVERNOR BUSH: There's a motion and a second.
12 Without objection, the item passes.

13 MR. WATKINS: Item No. 8 is a report of award on the
14 competitive sale of \$301,410,000 of right-of-way and
15 bridge refunding bonds. The bonds were awarded to the low
16 bidder at a true interest cost of approximately
17 4.05 percent resulting in gross debt service savings of
18 27.3 million or 18 and a half million on a present value
19 basis.

20 CFO GALLAGHER: Motion on 8.

21 COMMISSIONER BRONSON: Second.

22 GOVERNOR BUSH: There's a motion and a second.
23 Without objection, the item passes.

24 MR. WATKINS: Item No. 9 is a report of award on the
25 competitive sale of 231,955,000 in capital outlay

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DIVISION OF BOND FINANCE - 8/9/05

1 refunding bonds. The bonds were awarded to the low bidder¹⁸
2 at a true interest cost of approximately 3.69 percent
3 resulting in gross debt service savings of 17.9 million or
4 \$13.8 million on a present value basis.

5 CFO GALLAGHER: Motion on 9.

6 GENERAL CRIST: Second.

7 GOVERNOR BUSH: There's a motion and a second.

8 Without objection, the item passes.

9 MR. WATKINS: Getting to be pretty repetitive, isn't
10 it?

11 GOVERNOR BUSH: That's good.

12 MR. WATKINS: Item No. 10 is a report of award on the
13 competitive sale of \$71,285,000 in housing facility
14 revenue bonds for two new -- hesitate to call them
15 dormitories, they're really not -- don't look anything
16 like the dormitories we used to live in. Student housing
17 facility bonds for Florida State University. The bonds
18 were awarded to the low bidder at a true interest cost of
19 approximately 4.41 percent. There was a small refunding
20 piece that went along with that that we sold with that
21 resulting in savings of \$1.2 million.

22 CFO GALLAGHER: Motion on 10.

23 GENERAL CRIST: Second.

24 GOVERNOR BUSH: There's a motion and a second.

25 Without objection, the item passes.

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1 MR. WATKINS: And Item No. 11 is the report of award
2 on the competitive sale of 326,625,000 Tampa-Hillsborough
3 County Expressway Authority revenue bonds. The bonds were
4 awarded at a true interest cost of approximately
5 4.31 percent. This -- there was a combined new money
6 piece and refunding piece. 216.7 million was the
7 completion of the permanent financing of the
8 reversible-lanes project.

9 CFO GALLAGHER: Motion on 11.

10 MR. WATKINS: So that's wrapped and packed and we're
11 done with the financing of that now. They still got to
12 complete the repair and the completion which is going to
13 take about a year. But more importantly, the permanent
14 financing is locked in on that particular facility --

15 GOVERNOR BUSH: Without state support?

16 MR. WATKINS: Correct. With no additional state
17 support and \$109 million refunding piece that fortunately
18 came together resulting in gross debt service savings of
19 \$8.9 million or \$5.9 million on a present value basis. So
20 we combined \$110 million refunding piece to go along with
21 that.

22 GOVERNOR BUSH: I misspoke. We're providing State
23 support to the Expressway Authority as we do others to
24 represent partnering. But no support, no contingent
25 liability, no --

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1 MR. WATKINS: No additional loans in order to
2 complete the project.

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CFO GALLAGHER: Motion on 11.

GENERAL CRIST: Second.

GOVERNOR BUSH: There's a motion and a second.
without objection, the item passes.

CFO GALLAGHER: Ben, how much did our triple A rating help in keeping these rates down?

MR. WATKINS: It helped significantly, Treasurer. And it's most importantly manifested in no bond insurance. In other words, our bonds are selling without bond insurance. And the bond insurance premium, you know, depending on the size of the deal, can be a million dollars or more.

GOVERNOR BUSH: What's the percentage? How many basis points do we save?

MR. WATKINS: Usually -- well, just the insurance, Governor, is 17 basis points. So you're saving the premium right there and that doesn't count. The additional demand created by having a triple A rated piece of paper, because there are a lot of -- the market has changed and there are a lot of different proprietary trading accounts and hedge funds that had different strategists participating in the municipal market that weren't the traditional buyer base, the mom and pops that

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we used to see.

And in a lot of cases, they don't want to take any credit risk. In other words, their investment guidelines require a triple A rated piece of paper. So it opens up an entire new universe of buyers who aren't necessarily buying for yield and will pay more for a particular piece

7 of paper in order to be able to implement their strategy.
8 So it's a long-winded way of saying in many cases you
9 can't necessarily quantify exactly how many basis points,
10 but it's increased significantly the demand for our paper
11 which helps drive down our borrowing costs.

12 GOVERNOR BUSH: The translation of that is "a lot".

13 (Laughter.)

14 MR. WATKINS: Big dollars.

15 CFO GALLAGHER: But he's not giving an exact amount.

16 GOVERNOR BUSH: No, I don't think so. I didn't hear
17 an exact amount.

18 MR. WATKINS: If I could take a moment, Governor, and
19 acknowledge and thank my staff for their extraordinary
20 efforts that they have contributed in making this happen.
21 You know, I stand up here and report the awards and take
22 the accolades. But truth be told, I have a tremendous
23 dedicated staff who have gone above and beyond the call of
24 duty to make this happen. I just keep raising the bar and
25 saying, Just one more, just one more, just one more. And

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DIVISION OF BOND FINANCE - 8/9/05

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1 every time I raise the bar, they deliver.

2 So just recapping, to give you a sense of it, we've
3 executed, since this calendar year, 16 transactions
4 totaling \$3.6 billion. \$2.6 billion were refundings. It
5 results in aggregate debt service savings on a gross basis
6 of \$300 million. So that's significant. And without
7 their effort and without their dedication, we couldn't get
8 it done so I'd like to take this opportunity.

9 GOVERNOR BUSH: Thank you, Ben. Ben and I went up to

10 talk to the people that buy our debt in New York and it is
11 a new mix of people. A lot of these hedge fund names I've
12 never heard of. But there is a whole new source of
13 capital. And the one common denominator amongst the 20 or
14 30 people in the room that we spent two hours with was
15 their incredible respect for the division and for Ben and
16 the professionalism that they have.

17 It was -- you know, for a nerdy, this is kind of a
18 nerdy side of government, and I embrace nerdism all the
19 time. As a nerd, I was incredibly proud. I mean, it was
20 a shining moment. It was clear that they do respect what
21 we do and how we do it. So I appreciate everything you
22 do, your professionalism.

23 MR. WATKINS: Thank you, Governor.
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FINANCIAL SERVICES COMMISSION - 8-9-05

23

1 GOVERNOR BUSH: Financial Services Commission --
2 CFO GALLAGHER: Motion on the minutes of March --
3 GOVERNOR BUSH: -- Office of Insurance Regulation.
4 CFO GALLAGHER: -- 17th, April 5th and May 3rd.
5 GOVERNOR BUSH: There's a motion on Item 1.
6 GENERAL CRIST: Second.
7 GOVERNOR BUSH: And a second. Without objection, the
8 item passes.
9 Butterbean, how you doing?

10 MR. MCCARTY: Good morning, Governor, members of the
11 Commission. Agenda Item 2 is request adoption of
12 amendments to Rule 690-137.004 entitled, Reports of
13 Information by Health Insurers Required.

14 CFO GALLAGHER: Motion on 2.
15 GOVERNOR BUSH: There is a motion on 2. Is there is
16 a second?
17 COMMISSIONER BRONSON: Second.
18 GOVERNOR BUSH: And a second. Without objection, the
19 item passes.
20 MR. MCCARTY: Item 3 is to request adoption of
21 amendments to Rule 69-149.038, Employee Health Care Access
22 Annual Report, and changes to the reporting requirements
23 of the forms.
24 CFO GALLAGHER: Motion on 3.
25 COMMISSIONER BRONSON: Second.

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FINANCIAL SERVICES COMMISSION - 8-9-05

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1 GOVERNOR BUSH: There's a motion and a second.
2 Without objection, the item passes.
3 MR. MCCARTY: Item 4 is a request, Adoption of
4 amendments to Rule 69-154.112 entitled, Guaranteed
5 Availability of Individual Health Insurers to Eligible
6 Individuals.
7 CFO GALLAGHER: Motion.
8 COMMISSIONER BRONSON: Second.
9 GOVERNOR BUSH: There's a motion and a second.
10 Without objection, the item passes.
11 MR. MCCARTY: Item 5 is to request adoption of
12 amendment to Rule 69-137.001 entitled, Annual and
13 Quarterly Reporting Requirements, requesting changes to
14 the NAIC 2005 annual and quarterly reports.
15 CFO GALLAGHER: Motion.
16 COMMISSIONER BRONSON: Second.

17 GOVERNOR BUSH: There's a motion and a second.
18 without objection, the item passes.
19 MR. MCCARTY: Item 6, request adoption of amendment
20 to Rule 690-138.001, National Association of Insurance
21 Commissioners' Financial Examiners Handbook. Request
22 adoption.
23 CFO GALLAGHER: Motion.
24 COMMISSIONER BRONSON: Second.
25 GOVERNOR BUSH: Motion and a second. without
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1 objection, the item passes.
2 MR. MCCARTY: Item 7 is request adoption of amendment
3 to rule Chapter 690-156, Part 1 entitled, Medicare
4 Supplement Insurance.
5 CFO GALLAGHER: Motion on 7.
6 COMMISSIONER BRONSON: Second.
7 GOVERNOR BUSH: There's a motion on 7 and a second.
8 without objection, the item passes.
9 MR. MCCARTY: Item No. 8, adoption of amendments to
10 Rule 690-167.009 entitled, Mortgage Fire Insurance
11 Requirements Limited.
12 CFO GALLAGHER: Motion on 8.
13 GENERAL CRIST: Second.
14 GOVERNOR BUSH: There's a motion and a second.
15 without objection, the item passes.
16 CFO GALLAGHER: Move to withdraw 9 and 10.
17 GOVERNOR BUSH: There's a motion to withdraw Items 9
18 and 10.
19 GENERAL CRIST: Second.
20 GOVERNOR BUSH: And a second. without objection, the
Page 22

21 items are withdrawn.

22 MR. MCCARTY: Item 11 is request adoption of
23 amendment to Rule 690-171.002 and .008, General Reporting
24 Requirements of Insurance Experienced Reporting for
25 Calendar Year Experience.

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1 CFO GALLAGHER: Motion.

2 GENERAL CRIST: Second.

3 GOVERNOR BUSH: There's a motion and a second.

4 Without objection, the item passes.

5 MR. MCCARTY: Item No. 12 is the request to repeal
6 Rule 690-191.006 on claims payment.

7 CFO GALLAGHER: Motion.

8 COMMISSIONER BRONSON: Second.

9 GOVERNOR BUSH: There's a motion and a second.

10 Without objection, Item 12 passes.

11 MR. MCCARTY: And Item No. 13, adoption of amendment
12 to Rule 690-193.021 entitled, Escrow Agreements and
13 Amendments.

14 CFO GALLAGHER: Motion.

15 COMMISSIONER BRONSON: Second.

16 GOVERNOR BUSH: There's a motion and a second.

17 Without objection, the item passes. Thank you, Kevin.

18 MR. MCCARTY: Thank you very much.

19 Governor, if you don't mind, I just wanted to give
20 you the first report on Hurricane Dennis.

21 GOVERNOR BUSH: Please.

22 MR. MCCARTY: At this time, at the office of
23 yesterday afternoon, we have a total of 47,656 claims

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reported. To date, 79 million have been paid with
25 estimated losses of 934 million. Of those claims,
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1 Governor, 75 percent of them are in three counties. It's ²⁷
2 interesting to note that 66 of 67 counties reported claims
3 in Hurricane Dennis. This covers commercial, residential,
4 and commercial/residential.

5 GOVERNOR BUSH: There was a tremendous amount of
6 damage down in Pinellas County and other places along the
7 coast in the lower Gulf Coast that didn't get much
8 coverage.

9 MR. MCCARTY: Right. We actually received claims
10 from every county except Union County.

11 GOVERNOR BUSH: Union? That's because the State owns
12 the whole --

13 COMMISSIONER BRONSON: They lost the form.

14 GOVERNOR BUSH: They lost the forms.

15 (Laughter.)

16 CFO GALLAGHER: Kevin, they all fall under the
17 hurricane deductible because -- no matter what county
18 they're in because the landfall was in excess of a
19 74-mile-an-hour hurricane?

20 MR. MCCARTY: That's correct. They would use the
21 hurricane deductible as opposed to the wind deductible.

22 GOVERNOR BUSH: How does a billion dollars compare to
23 Ivan? Just refresh my memory.

24 MR. MCCARTY: Ivan was 3.8 billion.

25 GOVERNOR BUSH: Quarter.

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1 MR. MCCARTY: And about 213,000 claims. It was still
2 a very serious storm however.

3 GOVERNOR BUSH: Dennis, absolutely. It's being
4 compared to a brutal storm so people think, well, nothing
5 happened. But if you go over there.

6 MR. MCCARTY: Absolutely.

7 CFO GALLAGHER: A lot of tornadoes.

8 MR. MCCARTY: Thank you very much.

9 GOVERNOR BUSH: Thank you.

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1 GOVERNOR BUSH: Florida Land and water Adjudicatory
2 Commission -- or Administration Commission, excuse me.

3 CFO GALLAGHER: Motion on the minutes.

4 COMMISSIONER BRONSON: Second.

5 GOVERNOR BUSH: There's a motion and a second on the
6 minutes. Without objection, the item passes.

7 Item 2.

8 MS. TINKER: Item 2, recommend approval of the draft
9 final order finding the Polk County comprehensive plan not
10 in compliance.

11 Governor, we have several speakers on this issue this
12 morning. The first speaker is Bruce -- I'm sorry, Robert
13 Fegers as counsel representing The Eloise Community
14 Redevelopment Agency who is the Petitioner in this
15 proceeding.

16 MR. FEGERS: Good morning, Governor, members of the
17 cabinet. My name is Robert Fager to represent the Eloise
18 Community Redevelopment Agency. Just to give you a little
19 backdrop, I understand I only have two minutes so I'll
20 keep it as brief as possible. But this was initiated by
21 the CRA because there was a small scale comp plan
22 amendment in the size of 9.9 acres that was changed from
23 RL to industrial. This piece of property is intrusive
24 into an established residential community which was
25 contrary to the plan of the CRA.

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1 GOVERNOR BUSH: Are we going to have a map here that
2 we can look at? Please keep going. It might be helpful
3 just to have it if there are questions.

4 MR. FEGERS: The law provides at this particular
5 stage of review that Florida Statute 120.57(1)(1), and
6 I'll refer to the property real quick. The property in

7 question is right here. (Indicating.) This is what was
8 changed. Everything you see in orange or yellow, if you
9 will, is residential. And on this side of the street, you
10 have a post office. You have an elementary school down
11 here. This is institutional actually. And you have a
12 park back here and a resource center right here.

13 GOVERNOR BUSH: I'm sorry, the blue though is zoned
14 residential but it's a nonconforming use?

15 MR. FEGERS: This is -- well, you can't tell, but
16 it's actually a purple. And it's a nonconforming use.
17 It's zoned -- its comp plan designation is RL4.

18 CFO GALLAGHER: Across the way is? Is that purple?

19 GOVERNOR BUSH: Industrial. Across the street is
20 industrial, right?

21 MR. FEGERS: Right. And this is a four-lane road.

22 GOVERNOR BUSH: And then there is a lake or
23 something. That's water, that white, I think.

24 MR. FEGERS: No, there is no lake.

25 GOVERNOR BUSH: Over here, the white?

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1 CFO GALLAGHER: The top. Top right.

2 GOVERNOR BUSH: Never mind. It doesn't matter if
3 it's water or not.

4 MR. FEGERS: Over here?

5 GOVERNOR BUSH: Yes.

6 MR. FEGERS: Yes. I'm sorry. But at any rate, at
7 this stage of the review, Judge Stampelos recommended that
8 it be found not in compliance after a two-day trial and
9 many exhibits. The statute provides that you may not

10 reject or modify the findings of fact unless, from a
11 review of the entire record, the findings of fact were not
12 based on substantial competent evidence or that the
13 proceedings in which the findings were based did not
14 comply with essential requirements of law.

15 The County certainly was represented by counsel at
16 the trial, the two-day trial. And the intervenor, which
17 was the property owner, was represented by counsel at the
18 trial as well. So I doubt that there is any argument that
19 is established with the proceedings.

20 The next issue then would be whether or not there is
21 substantial, competent evidence in the record. The only
22 evidence that was presented by the County was the Merl
23 Bishop testified that really the broad rule, not as to
24 this specific property, but the broad rules basically to
25 recognize errors and the crux, as Judge Stampelos said,

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1 the crux of the County's argument is that this was an 32
2 error. If you look at Merl Bishop's testimony at Page
3 477, Lines 5 through 16, he basically testified in
4 cross-examination that he had no evidence of error. That
5 this really was an error. And then, Judge Stampelos,
6 utilizing -- as set forth in Paragraphs 34, 35, 36, 53 and
7 54, noted the significance of the documentary evidence
8 which was basically three ordinances, 99-11, 00-33, and
9 01-45, all of which addressed this specific property to be
10 used for residential purposes. So recognizing my time
11 limitations, we encourage the adoption of the proposed
12 draft order.

13 GOVERNOR BUSH: why don't you just take a little bit
Page 28

14 of time and say whatever you just said in English so that
15 I can understand it. Because all that paragraph stuff --
16 I thought the guy -- he has a warehouse of some kind, a
17 business, the purple property owner. He was trying to
18 expand his business to behind his property and was seeking
19 a rezoning of that property that would be the orange
20 behind his property.

21 MR. FEGERS: No, that's incorrect.

22 GOVERNOR BUSH: Okay. Correct me, please.

23 MR. FEGERS: The comp plan amendment was for this
24 piece. It's designated on here prematurely, if you will.
25 And this was to remain residential.

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1 GOVERNOR BUSH: But he has a property. He has an ³³
2 improvement on that property right now.

3 MR. FEGERS: He has a use, a grandfathered use.
4 There is a couple structures --

5 GOVERNOR BUSH: So he wants to convert a
6 grandfathered use into a --

7 CFO GALLAGHER: Expansion.

8 GOVERNOR BUSH: How is he going to expand?

9 MR. FEGERS: That's correct. He wants to use it
10 for -- he wants to make it a legal conforming use and also
11 have other potential industrial uses.

12 GOVERNOR BUSH: Just on that purple square though not
13 beyond.

14 MR. FEGERS: That's correct, on this purple square.

15 GOVERNOR BUSH: Okay. Thank you. We have other
16 speakers?

17 MS. TINKER: Yes, sir. The next speaker is Mr. Bruce
18 Bachman representing the Eloise Community Redevelopment
19 Agency.

20 MR. BACHMAN: Thank you. Good morning, Governor and
21 members of the Florida cabinet. My name is Bruce Bachman.
22 I'm a petitioner in this case and I have participated and
23 testified at the two-day trial. I also happen to chair
24 the Eloise CRA. I was appointed by the Polk County Board
25 of County Commissioners in 1998 and reappointed chair in

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1 2002.

2 Two quick points on this that are cited in the
3 record. Number one, the property owner, Mr. Smith, knew
4 that the property was designated residential and had a
5 residential land use at the time he purchased the land.
6 Secondly, the few businesses that currently are operating
7 on this property are relocations. They are nothing that
8 was new or created jobs. They are relocations. The CRA,
9 the Eloise CRA had no discussions regarding eminent domain
10 and Mr. Smith could continue to operate under his
11 grandfathered rights for those activities which are legal
12 nonconforming uses. We respectfully request you adopt
13 Judge Stampelos' recommended order, his findings of fact
14 as well as conclusions of law. And as well, we request
15 you adopt a final draft order which is recommended by your
16 aides. Thank you.

17 GOVERNOR BUSH: Thank you. Teresa, the first speaker
18 was representing the CRA as well?

19 MS. TINKER: Yes, sir, the attorney for the CRA.

20 GOVERNOR BUSH: Thank you.

21 MS. TINKER: The next speaker is the attorney for
22 Polk County, Joseph Jarret.

23 MR. JARRET: Good morning, Governor Bush, members of
24 the cabinet. I'll likewise be brief. Joseph Jarret,
25 county attorney for Polk County. Gentleman, it's our

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1 position that, although we didn't file exceptions to this ³⁵
2 case, that in fact there was an error in terms of
3 designating that particular piece as residential. Judge
4 Stampelos did conclude there was no record evidence but we
5 respectfully disagree. If you look at the aerial
6 photographs from 1980 all through 2005 you'll find that
7 this is an industrial use. And, likewise, Merl Bishop our
8 growth management director and our expert witness
9 testified as follows, and I'll read verbatim from the
10 transcript quite briefly. When questioned about this
11 particular piece of property, "Now when this property,
12 subject property, was included in the future land use map
13 of the 1991, '92 comprehensive plan, did it get classified
14 as industrial?"

15 His response on Page 455 of the transcript, "It was
16 not" -- or, "It did not."

17 "What did it get classified as; do you recall?"

18 "It was the adopted map which was adopted in 1992 was
19 classified as residential."

20 Now you should be mindful of the fact when we had our
21 original land use designation, prior to enactment of the
22 comprehensive plan, this was designated as general
23 industrial. The next question of Mr. Bishop was:

24 "Now in terms of the classification on the future
25 land use map would you omit an active industrial use from
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1 the future land use map?"

2 The answer: "Not without a real good reason to do
3 that. I mean, if it was something that was just totally
4 isolated and just totally out of place.

5 "Question: would that fit the criteria?"

6 "Answer: I would say no because of the presence of
7 the industrial development in the area, particularly
8 Phoenix Industries."

9 The last exchange goes as follows: "Is the area that
10 included the southern parcel of the school and Phoenix
11 Industries and the subject parcel, do they make up a
12 single industrial area?"

13 "Yes" is the answer.

14 "Would you consider them a major industrial area?"

15 The answer is: "Yes."

16 This is not intrusion into a pristine residential
17 area. This is an area for decades was utilized as
18 industrial. That is what the gentleman who owns the
19 property has testified to. Courts have consistently ruled
20 that citizen testimony, when factually based, constitutes
21 competent substantial evidence and I thank you for your
22 time, gentlemen.

23 GOVERNOR BUSH: Thank you.

24 MS. TINKER: The next speaker is the owner of the
25 property, Mr. Don Smith.

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1 GOVERNOR BUSH: Good morning.
2 MR. SMITH: Good morning. I didn't realize I was
3 getting this far up the ladder.
4 GOVERNOR BUSH: Say what?
5 MR. SMITH: I didn't realize I was coming this far up
6 the ladder. I own the property --
7 (Laughter.)
8 GOVERNOR BUSH: well, you may be going down the
9 ladder, you just don't know it yet. If you think speaking
10 to us is up the ladder, you're losing your credibility.
11 MR. SMITH: I own the piece of property in question.
12 I actually was born and raised in Eloise. This piece of
13 property has always been industrial. I actually worked
14 for the man that owned this property at one time and now I
15 own the property. And the whole issue is we provide a lot
16 of jobs for the people of Eloise --
17 GOVERNOR BUSH: What's your business?
18 MR. SMITH: We do trucking, we do mechanical work, we
19 do racking, we do construction. And we're good citizens
20 and we're good providers for the people at our jobs. And
21 we take care of a lot of residents. When we went to these
22 meetings at the county commissioners, the people from
23 Eloise stood behind us and went to these meetings and the
24 county commissioner seen that. They approved all this and
25 they seen that the people were behind us and they wanted

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1 the jobs. They didn't want residents in this area. They
2 realize that this has always been there and this has

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3 always provided jobs.

4 GOVERNOR BUSH: well, if they approved it, why are
5 you here?

6 MR. SMITH: The county commissioners?

7 GOVERNOR BUSH: Yes. They appointed the CRA members,
8 right?

9 MR. SMITH: Yes.

10 GOVERNOR BUSH: And the CRA members are the ones that
11 make the land use decisions, I assume, they delegated that
12 to the CRA?

13 MR. SMITH: No, they're not.

14 GOVERNOR BUSH: They haven't?

15 MR. SMITH: No, that's not true. The county
16 commissioners makes this decision.

17 GOVERNOR BUSH: If they supported you, why are you
18 here?

19 MR. SMITH: Because the CRA is fighting this on their
20 own. The county commissioner is not fighting us. They
21 approve it. They stand by us 100 percent. The CRA is the
22 ones fighting us against the County's will. What it all
23 amounts to --

24 GOVERNOR BUSH: They appoint these people?

25 MR. SMITH: well, unfortunately they got appointed --

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1 GOVERNOR BUSH: Occasionally. I've had some
2 experience with that too, but --

3 (Laughter.)

4 MR. SMITH: what it boils down to is the largest
5 business in Polk County -- I mean the largest business on
6 that side, the president of the CRA is also the chairman

7 of that business and by him doing this, he keeps any type
8 of businesses out on this other side. All our local
9 businesses, our small businessmen who don't have money to
10 fight this, they have all lost their rights on that side.
11 And this whole side of the town is falling down. And our
12 businesses need to grow. And, you know, the little
13 grocery stores, the car stores, all that, all that's been
14 taken away from them. And they didn't have the money to
15 fight this. I'm the only one that's actually --

16 GOVERNOR BUSH: But you have a piece of property,
17 that bluish looking purple tract in the midst of the
18 orange right there, right?

19 MR. SMITH: Yes.

20 GOVERNOR BUSH: And how much of that property are you
21 using with your existing facility and what do you want
22 to --

23 MR. SMITH: The 9.9 acres is what we're using now.

24 GOVERNOR BUSH: And how big is that piece of property
25 overall?

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1 MR. SMITH: There's 20 acres. We're not asking to
2 use the back half. All we want to do is use the front
3 half that's existing. So we got a lot of work going.
4 We'd like to build a few more buildings for employee to
5 work inside as to outside. And all this can't be done
6 with the way it stands now. Their biggest fuss was on
7 this side of the street we want residential. On that
8 side, we want industrial. Well, that's not true. Then
9 they come up with the fight of, well, you're too close to

10 the school. That's not true either. That's just
11 everything they did --

12 GOVERNOR BUSH: Well, that may be true that that's
13 their desire but you have a nonconforming use that's been
14 there for a long time, right?

15 MR. SMITH: Forever. Since the 1940s. And over
16 here, if you see, on this side of the street, next to the
17 school, is another large parcel, piece of property that's
18 industrial that's only 40 feet away from the school. So I
19 mean, what they're saying about residents and the school
20 does not apply. It only applies to me and the small
21 businesses that were up front that have lost our rights.

22 Like I say, Phoenix Industries is the largest
23 industry. Bruce Bachman is the chairman of Phoenix
24 Industries, he's also the president of the CRA. We don't
25 like that situation where the largest business controls

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1 everybody and that's the way it's turned out to be. 41
2 That's the way this whole fight has turned out to be is,
3 we don't want no businesses on this side of the road. We
4 want all the businesses on this side of the road. And it
5 just so happens that all their business is that side of
6 the road.

7 GOVERNOR BUSH: Irrespective of what we decide today,
8 your business is going to stay where it is.

9 MR. SMITH: Correct, but we can't improve it. We
10 can't get a better life for our employees.

11 GOVERNOR BUSH: Okay. General?

12 GENERAL CRIST: Thank you.

13 Does any of your business compete with that business

14 across the street?
15 MR. SMITH: We're in the trucking business too. Down
16 the road, there is a cooler that uses our business. So we
17 could be in competition as trucking and cooler business.
18 GENERAL CRIST: Thanks.
19 CFO GALLAGHER: You weren't nonconforming until 2001,
20 right, because that's when they changed it to residential?
21 MR. SMITH: Correct.
22 CFO GALLAGHER: Prior to that, you were conforming?
23 MR. SMITH: Conforming, yes.
24 CFO GALLAGHER: And so when they changed everything
25 on that side of the street, they left your plat, your

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1 section, as industrial.
2 MR. SMITH: They changed it to residential.
3 CFO GALLAGHER: They changed it to residential, but
4 you were nonconforming.
5 MR. SMITH: Correct.
6 CFO GALLAGHER: Approved.
7 THE WITNESS: That's a hindrance because just like
8 the hurricane, when the hurricane come --
9 GOVERNOR BUSH: 2003 or '91 that you had the change?
10 CFO GALLAGHER: 2001, I thought it was.
11 GOVERNOR BUSH: '91 or 2001?
12 MR. SMITH: 2001, I guess.
13 CFO GALLAGHER: First designated in '91 then in
14 2002 --
15 GOVERNOR BUSH: Reauthorized or something?
16 CFO GALLAGHER: Correct.

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GOVERNOR BUSH: Okay.

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MR. SMITH: If a hurricane, which we had three, if one of those hurricanes had wiped us out, we would have had all those people out of work. They would not have a job and that's just not right. We need to be able to build on this. The neighbors have been supportive and been to these meetings and we've had a lot of people. We'd go to these CRA meetings to see what's going on. And I have a letter here from a little old lady, she wanted to

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come, she's 70 something years old. Mainly, she wanted to come see you. But she left the letter. She had it notarized and she asked me to read it. But that's what we're trying to do. We're not trying to hurt the neighborhood. When the second hurricane hit, I sent my trucks up to the northern states to pick up plywood to come back for the residents of Eloise so they would have plywood to board up their windows before the second hurricane hit them. And this was at our cost. I mean, we are good stewards and we do take care of our residents. And I was born and raised here.

GOVERNOR BUSH: All right. Thank you, sir.

MR. SMITH: Thank you, sir.

MS. TINKER: Governor, I've asked the county attorney to give you the chronology of the land use on this particular property so that we're clear about what it was and what it is now.

GOVERNOR BUSH: Okay. And then, Teresa, at some point, you need to tell us exactly -- you know, we're not the zoning board and that's not our responsibility, thank

21 God. But you need to tell us what's in front of us and
22 what our responsibilities are so that we can make a
23 judgment.

24 MR. SMITH: Be brief, sirs. In November of 1970 the
25 property here was zoned under the County's ordinance as

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1 industrial. when the comprehensive plan was adopted in ⁴⁴
2 1991, it was zoned as residential suburban and in 2001 it
3 was changed to residential suburban -- or residential
4 light four, RL4.

5 GOVERNOR BUSH: And it's true that a conforming use,
6 if there is damage, they cannot rebuild? Can they rebuild
7 back up -- the owner said that if -- he couldn't keep his
8 business there if he'd gotten blown away by the hurricane.

9 MS. SMITH: I believe there is a percentage. If a
10 certain percentage is destroyed, then he would not be
11 allowed to rebuild. So it is dependant on what percentage
12 of the property cannot be rebuilt.

13 GOVERNOR BUSH: So the County has rezoned this
14 property. This was not the CRA that did this, right, in
15 '91 and 2001.

16 MR. SMITH: The County rezoned it -- well, did away
17 with zoning, classified the property in 1991 as RS.

18 GOVERNOR BUSH: And in 2001, the County was the one
19 that made this decision again?

20 MR. SMITH: And the redevelopment plan was
21 reclassified and the County did not adopt the
22 redevelopment plan outright but as part of the
23 redevelopment plan the property was switched to RL4 which

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24 is -- I don't want to say that's reaffirmation of a
25 residential use though. If it was an error in 1991, that

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1 error basically was perpetuated in 2001. And the County 45
2 was not aware that there could have been an error until
3 this process began some 15 years later.

4 CFO GALLAGHER: So you're saying that there was or
5 could have been an error when they designated it as
6 residential?

7 GOVERNOR BUSH: He's saying there was.

8 MR. SMITH: There certainly was an error. It's our
9 position if you look at -- this property was all
10 industrial, the property next to the school, Phoenix
11 Industries' property, Mr. Smith's property. And when the
12 comprehensive plan was adopted, there is a provision that
13 said, All major existing industrial property shall remain
14 industrial on -- will be classified as industrial, shall.

15 Merl Bishop testified that this is one major existing
16 industrial area. Mr. Bishop said when he looks at that,
17 although he can specifically recall, as Mr. Fegers said,
18 this property, as you look at it, it's clear to him that
19 it is an error. He would not have made that a residential
20 property unless it were an isolated property. So if
21 Phoenix Industries and this property were not here, then
22 we would have the instance where this is an isolated area
23 but that's clearly not true. It's one property. He said
24 if you look at it that way, it's clear to him that it was
25 an error.

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1 GOVERNOR BUSH: But the judge found otherwise.
2 MR. SMITH: Yes, the judge considered the facts.
3 GOVERNOR BUSH: He's one of the best ALJ judges.
4 CFO GALLAGHER: Now, let me ask you this. But all
5 along that road on both sides is commercial?
6 MR. SMITH: There are commercial properties along the
7 road, yes, sir.
8 GOVERNOR BUSH: Nonconforming as well?
9 MR. SMITH: Yes.
10 CFO GALLAGHER: So if somebody has damage on their
11 property, tears the whole place down, they can't rebuild?
12 MR. SMITH: Correct. Especially on this commercial
13 corridor -- on these commercial properties if you have a
14 commercial building. It would, again, depend on the
15 percentage.
16 GOVERNOR BUSH: What are the property -- the
17 residential owners, where do they come out on this? Were
18 they supportive, opposed, mixed?
19 MR. SMITH: Mr. Smith testified at the hearing that
20 the residential property owners were largely in support
21 of --
22 GOVERNOR BUSH: But what's the County think about
23 that? I asked -- he already made his opinion, I wanted to
24 get yours.
25 MR. SMITH: I was not at the public hearings, but

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1 it's -- our understanding is that's the County's position,
2 that it was largely in support. If you look at this area,

3 Governor Bush, there is a high rental area and it is
4 blighted. So I think it's clear that these property
5 owners want to increase the quality of life and the
6 industrial property does provide.

7 GOVERNOR BUSH: But their appointed officials do not
8 support this, the CRA board.

9 MR. SMITH: well, there is the question about what
10 the CRA's motives are, certainly. And they are appointed
11 by the Commission, as you pointed out, sir, but as you
12 also pointed out, they're also suing the County.

13 GOVERNOR BUSH: We try to avoid that. That's a bad
14 thing to have who you appoint to sue you.

15 All right. Teresa.
16 Treasurer?

17 CFO GALLAGHER: It looks to me, if you look at this,
18 you know, when you look at the other map with the colors,
19 you'd think there was houses all over the place in that
20 residential zoned area. And the bottom line is, there's
21 not. And, you know, I really think it probably was a
22 mistake they made but we're stuck with what -- the
23 findings of fact by the Administrative Law Judge.

24 My guess is that the only opportunity to let
25 Mr. Smith do what he wants to do on that property is when

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1 the master land use plan is again submitted that the
2 County fix what might well have been an error and zone
3 that industrial, which is what they said they wanted to
4 do.

5 GOVERNOR BUSH: Exactly.

6 CFO GALLAGHER: And until then, unless you have some
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7 other answer, I don't know what it is.

8 MS. TINKER: No, sir, I don't. We've actually gone
9 through the record and the transcript of the
10 administrative hearing looking at the testimony that was
11 provided from the County and the opposing party in terms
12 of whether this really was an error or not. The testimony
13 did not compel the judge that the County had, in fact,
14 made an error. In fact, the judge found that this
15 particular land use change is inconsistent with a couple
16 of provisions in the comprehensive plan. One being the
17 compatibility of land use with the rest of the land around
18 which is residential.

19 And the second being that the County's objective in
20 the comprehensive plan is to basically do away with
21 nonconforming uses, phase them out. So it's pretty clear,
22 cut and dry, in terms of the administrative law judge's
23 recommended order. I think your task here today, you have
24 to rely on the record below. You're absolutely right if
25 the County wants to make changes in the future to the

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1 comprehensive plan, they can look at those two particular
2 areas in terms of nonconforming changes and compatibility
3 and come back maybe through their evaluation and appraisal
4 review of the comprehensive plan.

5 GOVERNOR BUSH: So they have not delegated any of
6 these land use decisions to the CRA?

7 MR. JARRET: Governor, the County, itself, the Board
8 of County Commissioners sits as the final determinant of
9 authority. So the CRA board would make recommendations to

10 the County. The County can choose whether or not it
11 wishes to -- actually, the Board of County Commissioners
12 can choose whether or not they actually want to abide by
13 that which is recommended in case the Board overruled the
14 CRA board, hence the lawsuit.

15 CFO GALLAGHER: Well, although I would really like to
16 help Mr. Smith, I don't think we have an opportunity to do
17 that. And I think his battle needs to be looking at the
18 master land use plan in Polk County when they review it
19 and resubmit. And because of that, I have to recommend
20 that we approve and I'll make that motion.

21 GOVERNOR BUSH: Is there a second?

22 COMMISSIONER BRONSON: Governor, I am -- I think from
23 a legal standpoint the Treasurer is probably correct. We
24 probably are a little bit stuck in this. I am concerned,
25 however, that -- and I'm equating this a little bit with

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1 this other situation that's going on where the Supreme ⁵⁰
2 Court has ruled if somebody else comes in with a great and
3 wonderful plan, that the City or County can take property
4 for this great and wonderful plan. And it sounds to me a
5 little bit like that some of this is taking place in this
6 action here.

7 However, as much as I would like to not have to
8 second this, I think I'm probably going to have to second
9 this because of the legal situation that we're in with the
10 courts. And in hopes that if the County Commission really
11 meant what they said, that they are going to go back and
12 take a look at this and make a final decision out front
13 where everybody knows where they are in this situation.

14 But I think I'm going to have to go ahead and second it
15 with reservations, I might add.

16 GOVERNOR BUSH: There is a motion and a second. Any
17 discussion? All in favor say aye.

18 (Aye.)

19 All opposed.

20 (No response.)

21 GOVERNOR BUSH: Motion passes.

22 MS. TINKER: Governor, if I could, I just wanted to
23 recognize that we did have one other citizen here today.
24 I apologize. Bill Rowe who's a business owner.

25 Mr. Row --

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1 GOVERNOR BUSH: I'm sorry.

2 MR. ROWE: Does it matter?

3 GOVERNOR BUSH: No, we've already -- you've come all
4 the way up here. If you want to speak, more than happy to
5 have you speak. I apologize, I didn't know that there was
6 another speaker.

7 MR. ROWE: No problem. My name is Bill Row. I'm a
8 local landowner. Golly, we own -- my family owns a --

9 GOVERNOR BUSH: Why don't you point out on the big
10 map. It will be easier for us to see. We can see your
11 finger if you're there.

12 MR. ROWE: Actually, we lease quite a bit of this
13 property from Don and operate some of the business
14 enterprises in there; it's a commercial truck repair and
15 trailer yard. We also operate a cold storage warehouse
16 adjacent to Phoenix somewhere down here. (Indicating.)

17 And we own a citrus packing operation just a mile as the
18 crow flies, just outside the CRA area. I was born and
19 raised right over here and my family has run a business
20 there for 75 years.

21 This has always been industrial. And I know you've
22 already made the legal finding here. My big issue is, as
23 Commissioner Bronson says, I don't think the CRA is
24 necessarily representing the best interest of the citizens
25 of Eloise.

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1 GOVERNOR BUSH: Doesn't look like it.

2 MR. ROWE: And it's not necessarily good to have a
3 PUD development in a residential area. The finding of
4 nonconformity with the CRA is a vision of what the zoning
5 plan ought to be. It is really inconclusive. It was kind
6 of drawn on the map, Here's the way we want it. Like Don
7 says, the president of the CRA is the president of the
8 biggest business in the area. It reeks of what every
9 landowner is concerned about, the Supreme Court ruling,
10 and I'm sorry you can't find the other way. I understand
11 the legal --

12 GOVERNOR BUSH: Well, I think the solution really is
13 to get the county commission to get engaged in this and
14 accelerate a comp plan amendment or whatever the catalyst
15 would be to rectify this. And, you know, I made joking
16 reference to boards, unappointed or unelected boards that
17 are appointed by elected people. The elected people that
18 appoint the boards have a responsibility to make sure they
19 don't wander off and sue the elected people. That's a
20 little excessive.

21 CFO GALLAGHER: I'd like to hear from the County on
22 when they expect to review and submit a land use change
23 plan, et cetera, on their master plan.

24 MR. JARRET: Mr. Gallagher, we currently looking at
25 that, sir. We just got on board a brand-new planning and

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1 growth management director and that's in the works. I ⁵³
2 don't have a definitive date before you at this point.
3 But it's certainly something that the County is interested
4 in doing and we hope to accelerate.

5 CFO GALLAGHER: Because I think that's really where
6 Mr. Smith needs to work and the other people to get that
7 new person moving and find out what makes sense. Sitting
8 here, we're not down there and we're not involved, but I
9 can tell you, I don't think anybody up here is real
10 comfortable with what's basically happened with this
11 individual piece of property. But we're stuck with what
12 the County has already said. And we're also stuck with
13 the Hearing Officer's findings of facts.

14 COMMISSIONER BRONSON: And, Governor, if I could
15 follow up, please.

16 GOVERNOR BUSH: Yes, please.

17 COMMISSIONER BRONSON: I can tell you this is just
18 the first popgun across the bow of what's going to come up
19 when we do their new growth management plans everybody is
20 talking about because these type of situations, and the
21 Governor knows this because we've been talking about this
22 for two years, these kinds of enclave situations are going
23 to happen with farms the same way they're happening with

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24 businesses right now. And that's why agriculture has been
25 so worried about this type of situation and what's going

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1 to happen as we get our new development plans down from ⁵⁴
2 the state of Florida. And quite frankly, I don't like the
3 idea of putting a business under this gun that's been in
4 operation -- well, the original business since the '40s
5 and probably even before the first houses were built in
6 this area possibly, and I haven't heard that for sure, but
7 it shows that these conflicts are going to happen over and
8 over again and the county commissions are being put in a
9 bad position, eventually, of making some real tough
10 decisions of how they're going to operate under new growth
11 management. Here we are under our current growth
12 management and we're still in this type position. So I
13 want to let everybody know that this is just the first
14 round of many to come, I have a feeling, and these are the
15 types of things we're all going to be looking at and the
16 courts and the administrative hearing judges are going to
17 have plenty of cases to hear, I think, over the next few
18 years.

19 GOVERNOR BUSH: Commissioner, this is like a reverse
20 enclave though, just to refresh your memory. Because this
21 is, unlike the enclave bill where development is all
22 around and Ag wanted to keep their rights to be able to
23 get the same development rights with three quarters of
24 their properties, their boundaries, are already being
25 developed, this is nonconforming industrial use in a

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1 industrial area.

2 COMMISSIONER BRONSON: well, Governor, I hate to
3 disagree with you, but if this business has been in
4 existence since the '40s my guess is --

5 GOVERNOR BUSH: with residential zoning.

6 COMMISSIONER BRONSON: -- I don't know if residential
7 was ever added to that area. But if it was in the '40s
8 beforehand, I'll agree with you. If it was after this
9 business was in operation, then it all happened because of
10 development after that situation and that's the reason why
11 I feel very compelled about what I had to do today to
12 follow the Court's opinion to get this legally settled.
13 But I can tell you that unless those houses were built
14 before the '40s when this business was there --

15 GOVERNOR BUSH: But it's the underlying -- we'll talk
16 about this -- the underlying value of the property was
17 residential. In any case, his solution is to get the
18 property rezoned, increase the development rights based on
19 that or the value of it based on his interest in expanding
20 business. I don't think anybody would be opposed to that
21 around here.

22 CFO GALLAGHER: Onward to Item 3.

23 GOVERNOR BUSH: Item 3. You thought Item 2 was a
24 challenge.

25 MS. TINKER: Item 3, recommend approval to finalize

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1 rulemaking for amending the comprehensive plan in land
2 development regulations for Monroe County.

3 Governor and members, this puts into place decisions
4 that you-all made in March of 2004 in terms of changes
5 that would be necessary to conform conceptual issues to
6 the comprehensive plan. We have several speakers here
7 today. Just so you know kind of what happened between
8 March last year and now, it seems like a long time for
9 rulemaking, the proposed rules were actually challenged by
10 two groups, the Florida Keys Citizens Coalition and Last
11 Stand.

12 We went through nine days of administrative hearing
13 on those rules and Monroe County -- the secretary is going
14 to speak first to sort of set the stage here. But the
15 Administration Commission prevailed in that administrative
16 rule challenge. The Hearing Officer determined that you
17 were moving forward appropriately and we're here now to
18 ask you for final approval to finalize those rules.

19 GOVERNOR BUSH: Just so the members of the cabinet
20 understand, if we approve this, then the rule --

21 MS. TINKER: Will become effective in 21 days. We'll
22 actually file the rule today and there's a 21-day delay
23 before it becomes effective.

24 GOVERNOR BUSH: And if we don't approve it, then the
25 whole rulemaking process starts over again. I've gotten a

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1 few E-mails from people saying, Defer it, wait until
2 October when they come to see if they're in compliance
3 before you approve it. That option would yield --
4 wouldn't yield that result. It would result a start over
5 and go through the whole rulemaking process again, right?

6 MS. TINKER: Yes, sir, you're absolutely right.
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7 Under the law, the Administrative Procedures Act, our
8 rulemaking authority will expire September 8th of 2005.
9 So we have to finalize the rule between now and
10 September 8th or we would have to start the process over
11 again.

12 GOVERNOR BUSH: which is an option, but it's --

13 CFO GALLAGHER: Let me --

14 GOVERNOR BUSH: Yes, Treasurer.

15 CFO GALLAGHER: We have the rule and the issue is how
16 many of -- permits can be issued, you know, the rule ties
17 in with the County, going along with what they need to do
18 in regards to waste treatment, et cetera, et cetera and
19 how many units they can allow to be built. These are sort
20 of two things that are in this rule.

21 MS. TINKER: There are some additional provisions in
22 this rule which are very important dealing with habitat
23 protection as well that would go into place immediately.

24 CFO GALLAGHER: The reason -- and those are
25 important, but the issue -- the reason people are telling

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1 us not to do the rule is because, you know, we're going to
2 all of a sudden allow more building there and they haven't
3 kept up with what they're supposed to keep up with. So
4 what I want to clarify is if this rule is approved and
5 goes into effect that doesn't necessarily mean that those
6 permits and ROGO that is approved in this rule
7 automatically happen. There are objectives that must be
8 reached and when they're reached, they will get approval
9 to do those units. And when they're not reached, they're

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not going to get approval; is that correct?

MS. TINKER: The rule actually puts into place an increase of permit allocations immediately. So, today, before the rule, they have 158 permits that they can issue within a year's time. This rule raises that to 197. So they could issue, if this becomes effective, up to 197 building permits next year. However, those building permits will have to conform with the requirements in the comprehensive plan and the land development regulations in terms of where they're actually granting development approval, which lots can be built on.

CFO GALLAGHER: But does someone up at DCA have to approve those individual lots to make sure that they meet the criteria?

MS. TINKER: DCA does review building permits for Monroe County.

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CFO GALLAGHER: And can they withhold because Monroe has not kept up their part of the deal?

MS. TINKER: They can object. They can object to the issuance of a building permit because this is an area of critical state concern.

CFO GALLAGHER: And when they object, what happens?

MS. TINKER: The process stops and DCA basically challenges the issuance of the permit.

GOVERNOR BUSH: We've got some heads nodding in the wrong direction on that. I think we'll probably have a chance to learn about it.

CFO GALLAGHER: So there's not a point -- in other words, they have a right to build these whether or not

14 they provide the waste treatment and all the other things
15 that are required. In other words, if they're behind on
16 that, they still get to build them?

17 MS. TINKER: Yes, sir, they'll be able to move
18 forward with the allocation of these particular permits
19 even if they don't do anything else in the rule. However,
20 you'll hear when Commissioner Nelson speaks this morning
21 that what the County has done to advance the provisions in
22 this rule even though this rule has not become effective.
23 we feel very certain that when the Department brings back
24 its assessment report in October to the cabinet that there
25 will be a positive evaluation of the County and the County

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1 will have succeeded in doing what it was supposed to do ⁶⁰
2 under this rule.

3 GOVERNOR BUSH: And if they don't?

4 MS. TINKER: And if they don't, then you will find
5 that they did not make substantial progress in meeting the
6 work program objectives and you can withhold permits from
7 them at that point.

8 GOVERNOR BUSH: That's what the Treasurer is trying
9 to get to.

10 CFO GALLAGHER: That's the issue I was trying to get
11 to.

12 MS. TINKER: I'm sorry.

13 CFO GALLAGHER: That's okay, you got there. As long
14 as -- everybody needs to know that approving this today
15 does not give carte blanche for construction permits and
16 building permits without them carrying out their side of

17 the deal. And that's -- I mean, I want people to be
18 comfortable with that.

19 MS. TINKER: That's correct.

20 CFO GALLAGHER: Because I certainly don't want to go
21 along with the agreed-upon rule without knowing that
22 everybody has to live up to their sides of it. Or if one
23 doesn't do it, then they're not going to get the building
24 permits. That's what I wanted to make clear.

25 MS. TINKER: Yes, there are definitely checks and

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1 balances in place. Governor, the speakers have agreed to⁶¹
2 limit their comments to five minutes per side. We'll hear
3 from Secretary Cohen first for the Department of Community
4 Affairs. Then DCA actually represented the Administration
5 Commission in the administrative hearing.

6 GOVERNOR BUSH: Secretary.

7 SECRETARY COHEN: Good morning. Like to say we kind
8 of got ahead of ourselves in asking the questions and
9 answers and I felt that I probably didn't need to do this.

10 GOVERNOR BUSH: Just take the part that you need to
11 do and discard the part that's already been done.

12 SECRETARY COHEN: Then what we'll do is, what you
13 gave us was direction, last year, in order to find a
14 different way to be able to move forward on the issues in
15 the Keys to establish a partnership with Monroe County.
16 You asked us to take a look at issues to address in
17 rulemaking habitat protection water quality hurricane
18 evacuation and affordable housing.

19 And what we did was we created on our principles the
20 fact that the rules would be consistent with Chapter 380

21 which is the principles for guiding development in the
22 keys. And what the rule will do is, if adopted, it will
23 guide development away from sensitive areas. It will
24 further limit clearing an upland native habitat and it
25 looks to the County to develop a land acquisition and

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1 management plan.

2 For water quality, it provides for \$40 million in
3 financing secured by a funding structure that's known,
4 infrastructure tax. And further says that it will go
5 forward with \$80 million and finance secured by connection
6 fees. It gives an outline and a process for those
7 facilities to be moved forward as far as the construction
8 of plants or laying pipes, it outlines those. And it
9 further talks in terms of safety of the citizens through
10 hurricane evacuation. And the local communities have
11 already been part of a process to take a look at how they
12 can do that.

13 It further talks in terms of, again, being consistent
14 with those guiding principles for development to do
15 affordable housing. It provides for a funding source of
16 \$10 million through a tourist tax that asks for the County
17 to work to acquire land and identify sites for affordable
18 housing, implement a strategy that keeps that housing
19 affordable in perpetuity. And then it restores lost ROGO
20 units and those allocations then go to affordable housing.

21 The procedure, as Teresa talked in terms of how we
22 are here where we are today, is, again, you asked us in
23 '03 to take a look at a new strategy. In '04, you asked

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us to develop the rule. There was nine days of challenge
25 in which all of the issues that have been raised that,

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1 Treasurer Gallagher, that you asked that were answered by ⁶³
2 the law judge on June 5th and today we're looking for that
3 final adoption.

4 So what will we do if you adopt the rule? It's going
5 to be consistent with 380. It establishes measurable
6 tasks and dates for completion of the various tasks. It
7 strengthens protection of the habitat. Strengthens water
8 quality protection. It provides for affordable housing.
9 It provides for us to be able to take a look at evacuation
10 issues. And the final determination, as what you were
11 saying, Treasurer Gallagher, as to whether or not there is
12 progress made is still through the DCA and the
13 Administration Commission. Thank you.

14 GOVERNOR BUSH: Thank you. Any questions?

15 Are we going to get an update on where this rule has
16 embedded in it some commitments that have to be made?

17 SECRETARY COHEN: Yes, that's correct. What today
18 does, today provides us, and I was talking to a news
19 reporter and I used the football analogy, today provides
20 us with a playbook. All the four critical areas that we
21 talked in terms of have a game plan and what we're looking
22 to be able to do is working with the County and our staff
23 and others to be able to have those commitments that the
24 County has made fulfilled. And then be able to report to
25 you. And we've got a very short time frame now in which

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1 to do that. The progress that they've made, the rule then
2 will allow us to measure that progress.

3 GOVERNOR BUSH: So in October we expect --

4 SECRETARY COHEN: In October we expect to be able to
5 tell you how we've gotten from where we are currently to
6 meet the goal line.

7 GOVERNOR BUSH: Okay. We have some speakers.

8 MS. TINKER: Yes, sir, we do. The next three
9 speakers -- the next two speakers, actually, are
10 representing the challengers in the administrative
11 proceeding, Debra Harrison with World Wildlife Fund and
12 Kim Wiggington who is a resident of Monroe County. And
13 they agreed to split five minutes between the two of them.

14 GOVERNOR BUSH: Good morning.

15 MS. HARRISON: Good morning. Thank you for the
16 opportunity to address you. My name is Debra Harrison.
17 I'm here on behalf of World Wildlife Fund. And let me
18 clarify, I am not representing the intervenors. I am
19 speaking as a conservation organization that has been in
20 place in Monroe County for many years regarding the
21 decision you're making today. We are not here to discuss
22 the challenge that has taken place; that's over.

23 My concern, as both World Wildlife Fund and as a
24 long-term resident of Monroe County, is that while we have
25 a rule that has taken an insurmountable amount of time and

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1 commitment on behalf of the staff that you've assigned.
2 And thank you very much for the Department of Community

3 Affairs' staff, Colleen Castille, your own involvement,
4 not just for today but for the last 25 years.

5 Monroe County has not been a fair player in this
6 agreement. I am very concerned that an agreement was
7 hammered out, it took a tremendous amount of time,
8 commitment, negotiation, and leap of faith on the part of
9 the staff who have brought it to you. The governor and
10 cabinet have agreed to it. We are in a process where it
11 is intended to move forward and already your aid is
12 complete under which that agreement was to be signed and
13 put in place, already Monroe County has gutted the habitat
14 protection, they have abandoned their wastewater
15 responsibilities, and they have abandoned the special
16 taxing district for sewers that will provide the funding
17 that they committed to.

18 They have in the press, Commissioner Murray Nelson
19 who will speak following me, has stated that Monroe County
20 has been a good partner and the State has not been a
21 partner at all. I have to tell you, I'm very offended by
22 that. I know how much money the State of Florida has put
23 into Monroe County, money that other counties around the
24 state of Florida would love to have. I have worked with
25 your staff both here in Tallahassee and in Washington D.C.

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1 to try to secure funds for Monroe County and I've seen the
2 kind of commitment from the State and that offends me
3 greatly.

4 In answer to Commissioner Gallagher's question: No,
5 these permits will be issued if you make the decision to
6 act today. The number of permits that will be issued will

7 rise from 158 to 197 effective in 21 days. Additionally,
8 included in the rule are 126 additional permits that will
9 be issued today. You will hear that the issue and the
10 compelling timing for this is affordable housing. I will
11 tell you I support building affordable housing in Monroe
12 County, absolutely. I work with our school district. I
13 work with our superintendent. I sit on the land
14 authority. I work with Habitat for Humanity. But I will
15 tell you that Monroe County and the City of Marathon still
16 have affordable housing units that they have not issued.
17 It is not a question of, Do you have to act today. The
18 immediacy is not compelling.

19 what is compelling is that you continue this action
20 and do not codify this rule until, at a minimum, your
21 meeting on August 23rd. That will allow the County
22 commission to go back and meet in their regularly
23 scheduled meeting on August 17th and pass an interlocal
24 agreement with the Florida Keys Aqueduct Authority, which
25 is critical to us moving forward; will allow them to

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1 reestablish the special sewage taxing district which is
2 essential to keeping it in agreement with the rule; and,
3 No. 3, to begin action to reestablish the protections for
4 the habitat.

5 The speaker following me is a woman who has far too
6 much experience trying to deal with the one project that
7 Monroe County undertook to provide wastewater. And you're
8 going to hear about that. I would also caution you, when
9 our county commissioner, Murray Nelson, begins talking

10 about those projects that have moved forward, Little
11 Venice was finished by Monroe County. It was funded in
12 part by EPA. The FKAA did that project. I live in that
13 subdivision. I will tell you, while there were little
14 blips along the way with contractors, the project is in
15 place, it was done beautifully, it is affordable, and the
16 people of my neighborhood are absolutely thrilled that we
17 have our systems in place.

18 Don't allow the County to claim credit for Islamorada
19 putting in place their wastewater system. Layton,
20 Marathon, those are municipalities. That is not Monroe
21 County's accolade to be boasting. Again, I ask you,
22 please postpone action until you see Monroe County come
23 back to the table and act in good faith. And, again, I
24 thank you very much for your commitment. Don't leave us
25 alone. Thank you.

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1 GOVERNOR BUSH: Thank you very much.

2 Good morning.

3 MS. WIGGINGTON: Good morning, Governor and cabinet.
4 I'm Kim Wiggington, a long-time resident of the Keys. And
5 I'm not a member of any group, I'm just a resident of a
6 community.

7 GOVERNOR BUSH: All the more impressive that you'd
8 come all the way up here.

9 MS. WIGGINGTON: Well, thank you. Those groups may
10 not even know who I am. But I want you to know about the
11 one and only wastewater project that the Monroe County
12 Commission has done. It's Stock Island. They've only
13 been in charge of one project, Stock Island; I live there.

14 It's a low income, mostly low income community,
15 hardworking community. And we've been told by the County
16 that the project is complete. And that it was a bargain.
17 And, in fact, it's not.

18 Nobody wants to talk about the level of service.
19 Nobody wants to talk about the real cost. Nobody wants to
20 talk about property owners having to provide
21 infrastructure in the public right of way in front of
22 their property. That's unheard of in any other project.
23 Nobody is wanting to talk about why people can't connect
24 and why so few people are connected. I've provided
25 engineering reports --

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1 GOVERNOR BUSH: Why can't they connect?

2 MS. WIGGINGTON: I've provided engineering reports.
3 There are greater minds than mine that have reviewed this
4 and surveyed this. Three engineers, and I provided the
5 reports earlier and a grand jury report, this rule
6 requires 1,350 connections because certain items were left
7 out of the system and because the grand jury determined
8 that plans were switched some way or another and put the
9 burden more on the property owner that people cannot
10 connect unless they provide infrastructure in the right of
11 way. There are so many questions about this project; the
12 grand jury report goes into several of them.

13 GOVERNOR BUSH: And so the point is that you don't
14 trust the County to do the --

15 MS. WIGGINGTON: No, sir.

16 GOVERNOR BUSH: Okay. Just wanted to make sure we

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were going --

MS. WIGGINGTON: You have other engineering reports there that state that over two and half, up to four and a half million dollars, needs to be added or modified to the system in order for people to connect. For over three years this has gone unaddressed. For over three years this county commission, the majority county commission, a three-vote block, has ridiculed engineering reports and even ridiculed a grand jury report. The grand jury called
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these commissioners negligent and incompetent and said⁷⁰ they do not have the best interest of the public in mind concerning this project.

They've continued a campaign of misinformation, misinformation to the public, and moved forward on Stock Island with code enforcement violations against people that they've put the burden of bearing the consequence of this debacle. This is my community. This is my neighborhood. I urge you to hold them responsible in this rule. Stock Island is mentioned in this agreement, 1,350 connections that must be provided. Those engineering reports say no more than 860 can be provided.

It concerns me that you're giving a gift to Monroe County. And this is a gift to Monroe County. It is a great leap of faith on the part of the State. Monroe County has a history of not living up to its promises. It did not live up to its promise for me. It did not live up to the promise for my community. And I urge you -- I want you to assure me that you can hold them accountable to this agreement. I want you to assure me that you will

21 hold them accountable to this agreement. Thank you.

22 GOVERNOR BUSH: Thank you very much for coming.

23 MS. TINKER: Next speaker is Mr. Frank Greenman from
24 Monroe County. Mr. Greenman has a minute.

25 GOVERNOR BUSH: Starting when you get to the podium.

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1 (Laughter.) Don't hurt yourself getting there.

2 MR. GREENMAN: Thank you.

3 Thank you, Governor and cabinet, appreciate being
4 here. I am the first of the Greenman family. You will
5 hear the other one later on. First of all, I want to
6 suggest to you some good news. This agreement between the
7 County and the cities and the FCAA may be to you something
8 you might want to consider as justified but premature
9 exasperation.

10 For a long time, Monroe County's government, you
11 heard a little flavor of it, has been pilloried, correctly
12 so, for bad government. The great three I's of Monroe
13 County were be inept, be inefficient, and be indicted are
14 finally slowly starting to go away. Part of that is the
15 good old marketplace has created competition to the County
16 government in the form of the cities and they are all now
17 in harness and this is the difference. This is why I'm
18 bringing you good news. It is because for years what we
19 had in Monroe County was government by obstruction or
20 government by independent interest.

21 Now every government, every representative of
22 government who came up here from Marathon today is going
23 to tell you, we want clean water, we want to sewer it.

24 The aqueduct wants to sewer it. Everyone is in harness
25 towards the goals. What we are having is a legitimate

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1 and, quite frankly, probably very healthy debate on the ⁷²
2 means.

3 And I also want to suggest to you, the four of you,
4 how would you like 60 people to come to your house every
5 single weekend and not pay a thing for it and break the
6 stuff and not pay for the damage they do. Of course
7 that's what's going on in the Keys. Six million of our
8 tourists come to the Keys every year and you're putting
9 the burden of the sewer on 80,000 people. Now you are
10 helping some but it's a problem for us. Yes, that
11 expression is exactly how I feel when I see the cost.

12 But what I'm saying to you is that for once we are in
13 agreement on getting the job done. The disagreement is
14 how fast, how cheaply, and who. And those are agreements
15 that should be dealt with at a local level. Marathon --

16 GOVERNOR BUSH: It should be dealt with prior to the
17 approval of a rule that has an amendment in all these
18 commitments.

19 MR. GREENMAN: Well, it is my understanding that if
20 you agree to approve the rule right now, that we'll be
21 back. Marathon comes back with their comprehensive plan
22 in October. The City comes back for its work plan in
23 October. You're holding the money. That if these
24 children in the playpen can't get their act together by
25 October, then you've got a pretty good club. What I want

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1 to suggest to you, to go ahead and adopt the plan now and
2 let this legitimate and reasonable public discourse take
3 place, that the results are shared. And we're arguing
4 over the method. So let them argue, it's the keys. But I
5 think as long as you hold the money, we're going to come
6 back to you with an agreement before the end of October
7 and I recommend that you approve the work plan. Thank you
8 very much.

9 GOVERNOR BUSH: I got a theory about this keys thing
10 though. You know, it is a beautiful place and the State
11 has a responsibility to be part of this. But you can't
12 keep saying it's the keys to deal with some of the
13 behaviors that historically have existed. You-all are
14 smart, you're grown up, come on. It is the keys. It's a
15 beautiful place. It's worth protecting too. So, I mean,
16 it's funny and everything but this is serious business.
17 It's a pain in the butt to be dealing with this in State
18 government. I'm tired of it. So we have a window of
19 opportunity to get it fixed and we're trying to figure out
20 how to do it.

21 MS. TINKER: The next speaker is Secretary Colleen
22 Castille and she'll be followed by Commissioner Murray
23 Nelson who will wrap this item up.

24 MS. CASTILLE: Governor, members of the cabinet, I
25 just would like to urge you to adopt the hearing officer's

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1 recommended order. This has been held in abeyance now for
2 a year -- almost two years now since my presentation to

3 you giving you an update as to where we are in the Keys.
4 But despite the fact that the rule has been held up and
5 there have been speed bumps along the way, the County and
6 the cities have had forward motion in adopting wastewater.
7 The governor and the Legislature supported a \$10 million
8 allocation for wastewater in the '04, '05 --

9 GOVERNOR BUSH: I supported 20.

10 MS. CASTILLE: well, yes, sir, you did. what was
11 allocated was 10 million. And, again, in this '05/'06
12 budget year, you supported 20 million and the Legislature
13 allocated 7 million. what Monroe County has done has said
14 neither the ten nor the seven would be enough to do a
15 project of the size that they need. And so they have
16 given up their ability to access that money and given it
17 to the smaller communities. So we're moving forward with
18 a Layton -- city of Layton project, an extension on a Key
19 Colony Beach project and we're working with Marathon to
20 move forward on a project that we've -- that is in
21 transition right now. It's gone from a very large
22 centralized project of \$180 million to one that is more --
23 smaller to start with and scalable. So that's a process
24 that we're working through and --

25 GOVERNOR BUSH: What about the commitments on the

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1 habitat, the -- moving away from the aqueduct authority by
2 the commission, the taxing district that was mentioned,
3 the unused affordable housing units?

4 MS. CASTILLE: As I said, there were --

5 GOVERNOR BUSH: Those are the speed bumps?

6 MS. CASTILLE: Those are the speed bumps, sir. And
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7 they require a lot of discussion with county and city
8 commissioners and we're moving forward with those. But I
9 would, again, use this as an opportunity to entice the
10 County and cities to do the right thing because we do have
11 another assessment opportunity coming up in October.

12 GOVERNOR BUSH: If you grant a permit, can you take
13 it away?

14 MS. CASTILLE: No, sir, but under the area of
15 critical state concern if Monroe County grants a permit it
16 is not approved until the DCA approves it.

17 GOVERNOR BUSH: Right. So DCA could be --

18 MS. CASTILLE: So DCA can challenge it.

19 GOVERNOR BUSH: The question, I think, is, to answer
20 the -- I'm sorry, I forgot your name.

21 MS. CASTILLE: Debra Harrison.

22 GOVERNOR BUSH: Debra, is that your name?

23 MS. HARRISON: Yes. And you remember that because
24 we're going to be good friends.

25 (Laughter.)

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1 GOVERNOR BUSH: The question about how do we
2 commit -- how can we commit that this agreement will be
3 kept? That, to me, is what this -- I don't think anybody
4 disagrees with -- maybe they do. In fact, I guess, the
5 rule is being contested. But I don't think -- I mean, we
6 approved and admired both the work Thaddeus and Colleen to
7 get this consensus with the varying local government
8 officials.

9 The question then becomes, How do we fulfill it and

10 how can I look a resident of the Keys in the eye and say
11 that they're -- that, yes, we will make sure that they
12 keep their word if we grant permits in advance of finding
13 out if they're going to keep their word. That's the --
14 help me get there.

15 MS. CASTILLE: We aren't granting the permits to the
16 people who would be using them. Right now what we're
17 doing is we're granting the permits to the communities and
18 can we take them back? We can ultimately take them back
19 in the upcoming year but we can't take these away that we
20 grant.

21 GOVERNOR BUSH: So by October there won't be any
22 issuing of any permits beyond what the County can already
23 do or the city governments that are going to be granted
24 these additional units?

25 SECRETARY COHEN: The permits are issued on a
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1 quarterly basis. And the other thing to remember is at ⁷⁷
2 the end of the presentation is that we still need to be
3 able to demonstrate that they made progress and that's
4 what it is as the gentleman talks currently, there is a
5 consensus about the fact that they need to go forward.
6 The question is how. You indicate speed bumps. I'm
7 calling it potholes. What I think what we're getting to
8 is the fact that the methodology, bringing the communities
9 together, having an interlocal agreement which both, it
10 appears through the mayor of Monroe County and the FKA
11 just on one issue is working on is moving in the right
12 direction.

13 Issues of Stock Island, I read the report. Yes, it
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14 did not go as well as people would have hoped. So the
15 question that you have to ask is, How do you go forward?
16 And there is an engineering report that talks in terms of
17 how you can connect the additional folks to the sewer
18 system. So that's getting --

19 GOVERNOR BUSH: When would a permit to -- I mean, are
20 there permits kind of waiting in line that have been
21 waiting to go forward? I assume there are because we have
22 a crisis of affordable housing.

23 SECRETARY COHEN: That's correct. And what the
24 County has said to us, look, if we get those permits,
25 we're prepared to build those on scarified lots and

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1 commercial lots so that we're not touching the habitat. ⁷⁸
2 we can follow that, be sure that that occurs. The rule
3 will say that you have to protect the uplands. And you
4 have to protect the pinelands, further protect from before
5 you are currently. We review that to make that
6 determination whether or not those permits --

7 GOVERNOR BUSH: I may not be explaining this right.
8 Let's assume that there are 100 permits that could be
9 granted in X period of time. Those are granted, October
10 comes, they're not in compliance, the County is not in
11 compliance with the agreement for whatever reason. You
12 can't undo what you granted.

13 CFO GALLAGHER: But they can stop the County from
14 issuing them.

15 SECRETARY COHEN: That would be correct. That is
16 correct.

17 CFO GALLAGHER: They can stop the County from issuing
18 them. In other words, the individual homeowner can't do
19 it if they don't come through DCA and get -- in other
20 words, they can challenge a County permit issue; is that
21 correct?

22 SECRETARY COHEN: That's correct. Correct me if I'm
23 wrong. That is correct.

24 CFO GALLAGHER: So although we give the County
25 permission --

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1 SECRETARY COHEN: They get an allocation.

2 CFO GALLAGHER: They still can be stopped from the
3 final approval for the individual lot owner.

4 MS. CASTILLE: Well, justification could be the
5 County's failure to follow the comprehensive plan
6 amendments which is the tiered process which we are in
7 debate and discussion on and the wastewater.

8 GOVERNOR BUSH: This can be done prior to October,
9 these -- I'm trying to ask a practical question.

10 MS. CASTILLE: The question, Governor --

11 GOVERNOR BUSH: A normal person has made it all the
12 way to Tallahassee. I want to look her in the eye and say
13 that we can keep our part of the bargain. This is
14 important to me.

15 MS. CASTILLE: There are two people who have to make
16 the commitment, or two representatives. And we, as
17 representatives of the State, are making our commitment.
18 What we need is to have Commissioner Nelson come up and to
19 enter his commitment into the record that they are going
20 to move forward and they've got some documentation in

21 writing to move forward with a plan on wastewater. And I
22 believe we're in negotiations on the tier system which is
23 the habitat protection element.

24 COMMISSIONER BRONSON: Governor, I also have a
25 question. I saw some consternation in the lady's face

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1 about the hookup and who's to pay for what and the right ⁸⁰
2 of way. What, just out of curiosity, what is the price
3 for a homeowner to hook up to the system that we told them
4 you need to be on this system? And what does that cost
5 back to the homeowner to hook into that system? And that
6 seems to be a huge issue from the look on her face that it
7 was a pretty substantial cost.

8 SECRETARY COHEN: Let me do this. And hopefully I
9 don't drive myself off a cliff. We're having
10 conversations with Monroe County and the Aqueduct
11 Authority on how we can put together a structure in order
12 to resolve those issues. And what I would like to be able
13 to do is let that process move forward. They have
14 problems at Stock Island, it's clear, it's in the
15 documentation. How you hook those additional folks up is
16 also in an engineering report. So there is a methodology
17 to be able to do that.

18 As an architect, I kind of understand what that is.
19 And so the residents feel as if they did not get the whole
20 story and the true story. And what we're saying is we can
21 put in a process that's more transparent than it's been
22 previously that will allow everyone to agree on the cost
23 because it will become a joint decision. We're kind of

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25 using the same metaphor that we did during the hurricane
storms in which the state and FEMA were a joint team where

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1 we made those joint decisions. It becomes more clear. 81
2 And that's what the citizens of the Keys have asked for.
3 They said, Look, we understand what the goal is. We need
4 a framework to be able to get there. And I think the
5 conversations that I had with mayor and the conversations
6 I've had with the chair of the Aqueduct Authority will
7 move us in that direction.

8 CFO GALLAGHER: When will we know what the plan is?

9 SECRETARY COHEN: Well, what we're hopeful is, and I
10 see it circulating, which makes me nervous, but we're
11 hopeful that on August 17th that there will be, through
12 the mayor's leadership, an approval of an interlocal
13 agreement with the County. The following Thursday, the
14 fourth Thursday of August, we're hopeful that the Aqueduct
15 Authority will have the same agreement signed. There's 12
16 principles that they have there. They will then convene a
17 joint group that will then become responsible jointly for
18 moving sewers forward.

19 So it won't be just the Aqueduct Authority and just
20 the County. They will now have a true teamwork position
21 in which they will be able to move these issues forward.

22 CFO GALLAGHER: And what date should that end up
23 happening?

24 SECRETARY COHEN: If both of them do it, that will be
25 by the end of August --

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1 GOVERNOR BUSH: what about the day before
2 August 23rd?

3 SECRETARY COHEN: I'm sorry? August 17th is the
4 date, I think, is when the Board of County Commissioners
5 meet. I don't have a calendar, but the fourth Thursday of
6 the month. The 25th is when FKA meets. So if all the
7 stars align, we would have an agreement in principle
8 between those two.

9 CFO GALLAGHER: How about if they can have special
10 meetings at the Aqueduct Authority? How much warning do
11 you need for those? Seven days?

12 UNIDENTIFIED SPEAKER: Call an emergency meeting.

13 GOVERNOR BUSH: well, you've got to notice the
14 public.

15 SECRETARY COHEN: we also have a small problem, the
16 chair in all fairness, the chair is on vacation and she
17 does not return until August 16th.

18 CFO GALLAGHER: when?

19 SECRETARY COHEN: August 16th. She's been in
20 communication to be able to help move this process
21 forward.

22 GOVERNOR BUSH: Before you get to where you're going,
23 which I -- can we get the commissioner? He's relatively
24 normal too. Commissioner, welcome. Sorry for your --
25 thank you for your patience by the way.

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1 COMMISSIONER NELSON: Governor and cabinet members,
2 my pleasure to be here today. I'd like to try to resolve

3 a few of these issues that we brought up here today that
4 really I think are irrelevant to the rule. We're here
5 today to ask for the rule to be adopted so we can move
6 forward with 165 affordable housing credits that will be
7 given back. That's the issue here today, really. The
8 wastewater issues and other issues are, like the secretary
9 said, are potholes.

10 But I'd like to mention, you mentioned about the lady
11 that came all the way up here, Kim Wiggington, on Stock
12 Island. Stock Island has got the lowest connection fee
13 and the lowest O & M fee of any wastewater project in
14 Monroe County. \$2,700 per connection fee and \$35 a month.
15 Currently, connection fees are going at \$4,700 per
16 connection fee and the O & Ms are going to \$45, \$50. And,
17 by the way, this lady has not connected to the system and
18 although she has the ability to do so and I believe her
19 community has --

20 GOVERNOR BUSH: Why don't we focus on the bigger
21 issues?

22 COMMISSIONER NELSON: So the big issues here really
23 are, and I'm here today specifically to address our
24 current crisis that we have in affordable housing. And we
25 had this rule 19 months ago. The governor and cabinet

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1 agreed to it. The County commission adopted 5 and 0. We
2 moved through this thing. We had a challenge. We've been
3 held up for 19 months and now they're asking you today not
4 to approve it and allow it to go into October which would
5 basically allow them to challenge it again and we would
6 end up back 19 months and basically what we'd do, we'd

7 destroy the agreement that the State and County has
8 together. So to be brief and not to get into these other
9 issues, I'd just like to read what I basically brought up
10 here to tell you today, Governor and cabinet.

11 GOVERNOR BUSH: Sure.

12 COMMISSIONER NELSON: I am Commissioner Nelson and
13 represent 80,000 residents of the Florida Keys. I'm here
14 today to urge you to approve the agreement that was made
15 between the State and County 18 months ago. This
16 agreement was challenged by Last Stand and the Keys
17 coalition based on the fact that it did not provide enough
18 for environmental lands, wastewater and affordable
19 housing. Because of the challenge, Monroe County has lost
20 19 precious months in addressing our shrinking workforce
21 due to lack of housing. We actually have a market crisis
22 right now in Monroe County.

23 The agreement hammered out between Colleen Castille
24 and I and approved by the Governor and cabinet, the DCA
25 and the Board of County Commissioners provided for the

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1 following: The County, this is what we agreed to do. 85
2 \$40 million to address wastewater in the upper and the
3 lower Keys. \$80 million for connection fees to reduce the
4 cost of wastewater to state and local governments.
5 \$10 million bonded over the half penny tourist bed tax for
6 affordable housing. To buy environmentally sensitive
7 lands from willing sellers of 2 acres or more. That was a
8 decision made by the county commission to reduce it down
9 from 4 acres. To adopt an interim moratorium on areas of

10 two acres or more within the CNA, we did that. And also
11 to purchase affordable and environmentally sensitive lands
12 with land authority money during the interim period.

13 So we spent \$11 million in the last 19 months without
14 a resolution from the administrative law judge and went
15 ahead and purchased environmentally sensitive lands and
16 affordable housing lands even though we didn't know what
17 the ruling would end up being.

18 GOVERNOR BUSH: Have we kept up with our part of the
19 bargain on the purchase of the lands, the 93 million?

20 COMMISSIONER NELSON: Yes, you have. On your side of
21 \$31 million. The State also has agreed to provide
22 additional monies to us for environmentally sensitive
23 lands. But the County basically has taken the role that
24 we'll buy everything below -- or 1 acre above that is
25 environmentally sensitive out of County funds and that was

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1 our agreement.

2 The State agreed to provide \$93 million from the
3 Florida Forever Funds which you're doing and that's moving
4 forward very nicely. Provide \$30 million for wastewater
5 as a match to the County's commitment to \$40 million that
6 we said we'd provide. Now, of course, what we did there
7 is we could have asked for that money before the cities
8 got it but we didn't have a project to proceed. And not
9 only that, they didn't have the money to match your
10 dollars. So we took a leadership role there and said, Let
11 the cities have the money and they can move forward on
12 their match wastewater project. So that's what's
13 happening: Islamorada, Marathon and Layton and the areas

14 in Marathon that were the old Venice project, they moved
15 forward and expanded.

16 The County took a back seat on that and we're using
17 our money rather than the State's money to move projects
18 forward. And, by the way, Stock Island was done with all
19 county money. There was no state or federal dollars
20 there. And we -- you said you would restore all the
21 affordable housing permits basically if we did our job
22 here. That's what we're asking for today. You provide
23 \$20 million of funding for affordable housing. We met
24 with Orlando Cabrerro (phonetic) last week. We're moving
25 forward on that issue to provide \$20 million over a

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1 five-year period to buy affordable housing land so we can 87
2 address this issue.

3 And last but not least, restore annual allocations
4 and permits to 197. It's 126 market rates and 71
5 portable. By the way, the affordables of this new
6 agreement is 55.5 percent of all permits that come to
7 Monroe County all go to affordable housing. All the
8 allocation you give us here today all goes to affordable
9 housing.

10 GOVERNOR BUSH: Commissioner, the Treasurer had a
11 question.

12 COMMISSIONER NELSON: Yes, sir.

13 CFO GALLAGHER: There are existing permits for
14 affordable housing that haven't been used.

15 COMMISSIONER NELSON: We have 22 in the County right
16 now and it's not a large enough number to do projects that

17 we currently have ready to proceed. So we need additional
18 permits now to make the projects work.

19 GOVERNOR BUSH: These are multi-family?

20 COMMISSIONER NELSON: Yes. And they're also -- does
21 that answer your question?

22 CFO GALLAGHER: So you're building -- the affordable
23 housing ends up being condominiums?

24 COMMISSIONER NELSON: No, the affordable housing will
25 be a mix of rentals and homeownership. Basically, we're

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1 directing affordable housing to scarified commercial
2 property along U.S. 1 so that will be addressed, and as
3 many units as we can get on the property based on our comp
4 plan. We have very little land left in Monroe County. We
5 identified -- in Monroe County we have 300 acres of
6 property to address our affordable housing issues. That's
7 it. So we need to get started on this very quickly.

8 CFO GALLAGHER: How does affordable housing that you
9 produce and sell to somebody remain affordable housing
10 after the first owner?

11 COMMISSIONER NELSON: We basically are going to
12 institute a, first of all, a perpetuity or 99-year
13 renewable lease, a buy-back agreement, a land trust, and
14 those other issues to stop this process of becoming market
15 rate. That's something that's absolutely critical.
16 There's a fantastic book out on that right now, Affordable
17 Housing -- Living In Paradise - The High Cost of
18 Affordable Housing. So I am also in charge of the
19 affordable housing task force --

20 GOVERNOR BUSH: All of these units will have buy-back

21 provision?

22 COMMISSIONER NELSON: Yes, if they're for sale. If
23 they're available. Of course they don't need that.

24 CFO GALLAGHER: You know, this has been a -- I wish
25 it was only a Keys problem. But every community in this

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1 state is now facing this very same problem. And maybe ⁸⁹
2 you've coming up with an answer that the other communities
3 need to know because most of them have found after one
4 owner, you know, we're back in the market and we failed in
5 having affordable housing available for the next person.

6 COMMISSIONER NELSON: well, I think Monroe County is
7 not only providing a leadership role in this affordable
8 housing issue by addressing things that we see that are
9 critical in Monroe County that won't be critical in Dade
10 or Broward or other counties maybe in three or four years.
11 But we're super critical because we have zero amount of
12 land to address that issue.

13 So I think the housing -- we hired Steve Sybert
14 (phonetic), as you well know, to help facilitate that
15 process. We have the political will to do that. We're
16 now working on getting the public will. So those are some
17 of the things we're working on. But I'm here to tell you
18 today that Monroe County has not only been a good partner
19 in this agreement, it has exceeded its expectations and
20 the agreement that we have with you.

21 GOVERNOR BUSH: Tell us about the septic tank or the
22 Aqueduct contentious relationship between the Commission
23 or the county government and the Aqueduct Authority and

24

how do we get that resolved?

25

COMMISSIONER NELSON: well, I think we have it

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resolved today. I just received a resolution from the ⁹⁰

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mayor of Monroe County that basically resolves the issue

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of ownership of who actually sets the rates and the

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connection fees. The County basically wants to make sure

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that the connection fees and the O & M is kept to a

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reasonable amount and the projects don't go above budget

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like we've had in the past.

8

And, as you know, Governor, we only have a finite

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number of dollars to do this issue by 2010. We need to

10

make sure that these projects come in at cost, that the

11

State and the County can afford to --

12

GOVERNOR BUSH: Is there a formal relationship that's

13

reestablished since you declared your independence of the

14

Aqueduct Authority?

15

COMMISSIONER NELSON: well, I think some of these

16

potholes and these bumps have been resolved.

17

GOVERNOR BUSH: Have they been resolved formally?

18

COMMISSIONER NELSON: well, actually, they will be at

19

the next county commission meeting.

20

GOVERNOR BUSH: And when is that?

21

COMMISSIONER NELSON: I believe it's on the 17th.

22

GOVERNOR BUSH: Seventeenth?

23

COMMISSIONER NELSON: Yes, sir. It will be on the

24

third wednesday, whatever day that falls on.

25

GOVERNOR BUSH: There was a discussion about --

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1 sorry, go ahead.

2 CFO GALLAGHER: No, go ahead.

3 GOVERNOR BUSH: Habitat protection.

4 THE WITNESS: well, under the tier one, tier three,
5 which we adopted, I believe that habitat protection has
6 not only been increased, but it provides a level playing
7 field for everybody in the County to minimize our future
8 taking issues. We've actually reduced the amount of
9 clearing that's allowed on quite a few of the tier three
10 lands from 60 percent down to 40 percent. We're also
11 doing an overlay on all the scattered lots or lots that
12 are less than 1 acre that will provide for an endangered
13 species identification.

14 So any of those lots that has endangered species will
15 have a higher level of protection. But if I may, I'd like
16 to finish my letter and then I'll take further questions.
17 The County has not only met its requirements for this
18 agreement but also has exceeded it. We now need to move
19 forward to implement the State's obligation to this
20 agreement and assure that the cooperative spirit between
21 the State and the County is preserved. Monroe County is
22 looking forward to working with DCA, DEP and the Governor
23 and cabinet to protecting the environment, completing
24 wastewater and beginning the process of providing
25 affordable housing for our working families.

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1 These goals can be met by working together to provide
2 solutions to local problems that have State oversight with

3 a balanced strategy. This balanced strategy should
4 include protecting the environment while allowing planned,
5 legal development, using all State and County funding
6 resources to complete wastewater commitments by 2010, and
7 providing the necessary permit allocations to allow Monroe
8 County to address its critical affordable housing needs.

9 I would like to thank the Governor and the cabinet
10 for the time and interest you have shared with Monroe
11 County and our unique problems. I know that we do have
12 unique problems. And to the secretary of DCA for his
13 remarkable ability of seeing a problem and finding a
14 solution for it. And Secretary Cohen has done a marvelous
15 job bringing these parties together on this issue.

16 But I'm not here today to retort to all the
17 accusations that were made on these issues. I see
18 basically if we don't move forward with this, it's going
19 to go into October. This agreement becomes null and void
20 and gives them an opportunity to challenge it again. And
21 this agreement will basically be ruined forever.

22 So I would urge you, Governor and cabinet, to allow
23 the County -- I don't agree with the assessment of the
24 current county commission. Certainly previous county
25 commissions in Monroe County did have the theory of, Let's

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1 ask the State what they want and when they tell us what it
2 is, we'll dance with them and basically put it off. I
3 concur that happened a lot. This county commission has
4 not only been proactive, but it's taken a leadership role
5 to help the cities move forward on their issues, move
6 forward on committing over \$41 million right now.

7 The County has -- now listen and I'll tell you what
8 they are. \$20 million of wastewater for Key Largo.
9 \$10 million bond a half penny tax. \$3 million out of ROGO
10 reserve for affordable housing lands. And \$11 million out
11 of our land authority to buy land for affordable housing
12 and environment, the environment giving the biggest part
13 of that money. It totals up to, I believe, \$41 million
14 that the County has actually spent, obligated or bonded
15 since the challenge, not knowing that we would have a
16 positive result on that.

17 GOVERNOR BUSH: Thank you, Commissioner.
18 Treasurer?

19 CFO GALLAGHER: I have a concern of getting through
20 the -- some call it speed bumps. I guess I like Secretary
21 Cohen's of potholes, getting them sort of filled before we
22 move ahead. And it's important that we do this rule. I
23 recognize the amount of negotiations that's gone on. I
24 recognize the importance of it, I think all of us do. But
25 I really would like to see the Aqueduct Authority and the

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1 County carry out what I think they both want to do and
2 that's agree to how they're going to move ahead for the
3 people of Monroe County and, you know, for all of us in
4 the state because it's really a state treasure.

5 And with that in mind, if we pass the rule today and
6 we find out in October that nobody is living up to where
7 they need to be, which I hope would never happen, but it
8 could, it has in the past, we'd have to start all over
9 with another rule.

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COMMISSIONER NELSON: Absolutely.

CFO GALLAGHER: And I can tell you that is not soem
desire of mine.

COMMISSIONER NELSON: Nor mine, Commissioner, believe
me.

CFO GALLAGHER: So we have until September to get --
for us to approve this rule and have it move ahead. And
we have a meeting on the 23rd of August. And what I'd
like to have a discussion here with my colleagues is that
we allow the Commission and the Aqueduct Authority to
spend the time between now and then to make the agreement
so that everybody in the Keys knows what it is and knows
how they're going to move forward and knows there is going
to be the wastewater projects and the other things that
are planned. We get a real comfort that those potholes
are filled and that is a major feeling for all of us that

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everything is moving ahead. we have the time, we approve
the rule, and we look at it in October and move on and
hopefully we never need to do this for a long, long time
ahead.

COMMISSIONER NELSON: well, I appreciate your
comments on that but I really don't think that would be
the best route to take here. Basically what we're really
talking about is today, the 165 permits that we get for
affordable housing so we can move forward on project we
already have received. Even though, in fact, when it
comes to -- when they do the assessment of the County, if
we haven't got the agreement with the Aqueduct which I
feel we're on the same team now thanks to Secretary

14 Cohen's interaction on that, I don't think that's a
15 problem nor do I think that should be an issue here today
16 because we're talking about the rule and giving us 165
17 permits.

18 GOVERNOR BUSH: It's two weeks, Commissioner, two
19 weeks. You've been waiting along with us, we've been
20 waiting together for --

21 COMMISSIONER NELSON: Does that mean I have to make
22 another trip to Tallahassee?

23 CFO GALLAGHER: That's up to you.

24 GOVERNOR BUSH: That's the downside.

25 CFO GALLAGHER: You can listen to us on the Internet.

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1 GOVERNOR BUSH: That's the downside, admittedly, to ⁹⁶
2 the gala as planned.

3 COMMISSIONER NELSON: Governor and cabinet members,
4 whether it's two weeks, one way or the other, I think
5 really we're talking about the trust that the State and
6 the County has come to with this agreement and the fact
7 that the County basically has not only been proactive but
8 has moved forward on committing over \$41 million. And you
9 can do as you choose on this issue, but I don't think that
10 really it really gets us anywhere that would be different
11 in the end than what we have here.

12 CFO GALLAGHER: I hope you're right. But I want to
13 see the Aqueduct Authority in this deal too and knowing
14 exactly what they're going to do, and the County, and they
15 agree on what they're going to do. Because, otherwise, if
16 that doesn't happen, nothing happens.

17 GOVERNOR BUSH: Let's do this. If -- I had two other
18 questions because it may not just be the agreement with
19 the Aqueduct Authority that we need to finalize, there may
20 be some other issues as well that Thaddeus may have, that
21 is working on in good faith. We might want to use this as
22 an opportunity because it's out of crisis. If the Chinese
23 character of crisis is opportunity, this may be the
24 opportunity to finalize a much longer range, longer
25 lasting agreement. But I had a question on -- you had

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1 mentioned the Tiers for Habitat Protection.

2 COMMISSIONER NELSON: Yes.

3 GOVERNOR BUSH: Is that something that the State --
4 that our team is supportive of that's going to this
5 two-tier system rather than three tiers?

6 COMMISSIONER NELSON: That's my understanding,
7 Governor, yes. Not only that --

8 GOVERNOR BUSH: Wait a second. Hang on. We got
9 three no's shaking behind you. Not you.

10 SECRETARY COHEN: We're going to say yes but it needs
11 some work and we're working currently with the county
12 administrator and his staff to address issues that
13 Commissioner Nelson has. When you came up and spoke to
14 us, he showed us some photos of how some of the sites were
15 labeled and concerns that he had about those. We've
16 expressed some concerns about the original work that took
17 place over the 18 months. And what we've agreed to is the
18 fact that whether it's one tier, two tiers or three tiers,
19 that the rule says that we're going to further limit
20 clearing of uplands and that we can construct language

21 that will do that.

22 GOVERNOR BUSH: well, do you think in two weeks' time
23 you could get a clear consensus where there is no
24 misunderstandings that that two-week period could be used
25 to accomplish that with the county manager and commission?

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1 SECRETARY COHEN: If get two weeks, we'll do it in ⁹⁸
2 two weeks. Our goal was to have it shortly after Labor
3 Day. But if it's two weeks --

4 CFO GALLAGHER: That's almost three weeks.

5 GOVERNOR BUSH: Three weeks?

6 SECRETARY COHEN: It actually is eight days. I think
7 you were telling me.

8 GOVERNOR BUSH: What's today?

9 SECRETARY COHEN: Today is the 9th.

10 GOVERNOR BUSH: Okay. Two weeks. Give me a break
11 here.

12 MS. CASTILLE: Governor, the county commission has to
13 take action and their meeting is the 17th.

14 GOVERNOR BUSH: Perfect. That fits right in. The
15 other question I had, which hadn't been brought up, that I
16 thought, I guess, is the catalyst for the affordable
17 housing units was the evacuation plan changes and those
18 have been all vetted, all approved.

19 SECRETARY COHEN: Yes. We have resolutions from each
20 community. My understanding is all but two -- all but one
21 have done comp plan amendments.

22 GOVERNOR BUSH: Who's the one?

23 SECRETARY COHEN: Key West and it's at the planning

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commission.

25 GOVERNOR BUSH: Okay. Are there any other issues
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1 where there may be slight disagreements or broad
2 disagreements?

3 SECRETARY COHEN: No, hopefully we're getting the
4 cart out of the ditch right now.

5 COMMISSIONER BRONSON: Did I hear the 17th? August
6 17th or September 17th is when the county commission
7 meeting --

8 SECRETARY COHEN: No, August 17th. The third
9 Wednesday of August is their next meeting. And that's
10 when we're hopeful that this interlocal agreement will go
11 forward. And now it appears we may have a task of the
12 tier system. So we got a little work there.

13 GOVERNOR BUSH: Well, you have a resolution,
14 Treasurer?

15 CFO GALLAGHER: I move to hold this rule up until the
16 23rd. And hopefully we'll come back with wonderful things
17 to have happened.

18 GOVERNOR BUSH: Well, can we be a little more
19 specific about what we're asking?

20 CFO GALLAGHER: Absolutely. Well, I think we're
21 pretty clear. We want the habitat taken care of and
22 agreed upon with the County, file that. And the
23 wastewater agreements figured out between the Aqueduct
24 Authority, the cities and the County. And do you have
25 something else, Thaddeus?

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1 SECRETARY COHEN: That's enough.
2 CFO GALLAGHER: If we get those, we're going to be
3 very happy --
4 SECRETARY COHEN: If we can do those, that will help.
5 COMMISSIONER BRONSON: I'll second that and say lots
6 of luck.
7 GOVERNOR BUSH: There's a motion and a second. Any
8 other discussion? Without objection, the item is deferred
9 until August 23rd and hopefully this will be the finality
10 of this so we can get on with investing the money.
11 MS. TINKER: Governor, could I just ask a question?
12 Were you expecting that the FCAA will have acted on the
13 interlocal agreement as well by the next cabinet meeting?
14 GOVERNOR BUSH: What I'm asking for is that there be
15 an agreement. You know, I mean, the more binding, the
16 more legal, the better. But we've had this issue. It's,
17 you know, created a little bit of friction between a good
18 friend and me personally as well as -- it's gotten a lot
19 of attention in the Keys and there is no reason why the
20 Aqueduct Authority and the cities and the County cannot
21 find a way to reach a common ground and get this done.
22 I'm counting on adult leadership and I know that it can
23 happen and now there is a motivation to do it. Because if
24 it doesn't happen, we're stuck with this problem of having
25 to go back and do the rule over again. And the affordable

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1 housing problem will be made even worse which is -- if
2 anybody says that's a good idea, I would just beg to

3 differ. This is a huge problem but now we have a little
4 intensity to get this done and a deadline and we'll get it
5 done. I'm totally confident. And Secretary Cohen made
6 really good progress in the last week which gives me
7 confidence that this could be done. Had that not
8 happened, I probably would have voted no. Personal
9 opinion.

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1 GOVERNOR BUSH: All right. Wow. Now we have the 102
2 Florida Land and Water Adjudicatory Commission.
3 MS. TINKER: Item 1, recommend approval of the
4 minutes of the March 17th meeting.
5 GENERAL CRIST: Motion.
6 CFO GALLAGHER: Second.

7 GOVERNOR BUSH: There's a motion and a second.
8 without objection, Item 1 passes.
9 MS. TINKER: Item 2, recommend approval of the final
10 rule establishing the Palm Coast Park Community
11 Development District in Flagler County.
12 CFO GALLAGHER: Motion.
13 GENERAL CRIST: Second.
14 GOVERNOR BUSH: There's a motion and a second.
15 without objection, the motion passes.
16 MS. TINKER: Thank you.
17 GOVERNOR BUSH: Thank you, Teresa.
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BOARD OF TRUSTEES - 8-9-05

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1 GOVERNOR BUSH: Board of Trustees.
2 MS. CASTILLE: Good morning, Governor, members of the
3 cabinet.
4 GOVERNOR BUSH: Item 1.
5 MS. CASTILLE: Item 1 is the Florida Keys National
6 Marine Sanctuary. This is the acceptance of the eighth
7 annual status report of the Florida Keys. And I have Anne
8 McCarthy and Billy Causey here for the Florida Keys
9 National Marine Sanctuary.

10 MS. MCCARTHY: Good morning. I'm just going to
11 briefly go over some of the highlights of our eighth
12 annual report. This is, of course, a condition of the
13 governor and cabinet approving the 1997 management plan to
14 be implemented in state waters. Some of the highlights
15 that I just want to bring to your attention for this past
16 year are -- of course we've been doing monitoring,
17 long-term monitoring as part of the sanctuary's water
18 quality protection program since 1995. As part of that,
19 we look at corals, reef status, sea grasses and water
20 quality.

21 The corals, as far as living coral cover, we've had,
22 since 1993 to 2003, was about 7.2 to 7.5 percent. This
23 past year we did have a decline of about 9 percent from
24 7.2 percent to 6.8 percent. Of course this is probably
25 due to multiple stresses. In fact, we're already seeing

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1 this summer quite a bit of heat stress down in the Keys. 104
2 The reefs are taking a little bit of stress because of the
3 elevated sea temperatures. The seagrass communities,
4 again, remained relatively stable in overall abundance.
5 But we are still seeing some indications of elevated
6 nutrients in nearshore waters, that's kind of segued in
7 from your previous discussions. Water quality, region
8 wide, through the sanctuary, it's fairly good. Again
9 though the water quality monitoring is showing what the
10 seagrass monitoring is showing and we still have elevated
11 nutrients nearshore. Regarding the hurricanes last
12 season, not this season but last year, reporting on what
13 happened there. As far as property goes, the National

14 Marine Sanctuary really didn't have any property damage.
15 The reefs were fairly resilient to most of the hurricane
16 damage. But they did do some monitoring out in the Dry
17 Tortugas as far as hurricane damage but that report is
18 still pending from the Environmental Protect Agency.
19 There with a massive dolphin stranding, about 70 rough
20 tooth dolphins which are a deep water species, so you
21 don't find them too often in the shallow waters, they
22 stranded in the middle keys. About 30 of those were
23 pushed off out into deeper water and they saw some
24 individual sightings of those animals.

25 GOVERNOR BUSH: Anybody know why that happened?

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1 MS. MCCARTHY: You know, NOAA Fisheries has been
2 looking into that for quite some time. It's a long
3 process. They do multiple tests. Some of them are really
4 lengthy. They're supposed to be doing a debriefing later
5 on this summer. So we hope to find out more of what
6 they've discovered. Nine of those animals were released
7 to the wild and four remain in rehab.

8 And then we also have a new program called the
9 Florida Reef resilience program which I'd like to thank
10 coastal and aquatic managed areas working with getting
11 some money through Florida's Oceans initiative to start
12 this program. We're really excited about it. We're
13 looking at the resilience of reefs, meaning why some reefs
14 seem to be able to absorb stresses a little bit better
15 than other areas. And we're trying to look into that so
16 that, long term, we can make better management decisions

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on how to protect them.

18 So with that, that was just a few highlights, I'm
19 going to turn it over to Billy Causey, the sanctuary
20 superintendent, to kind of wrap up that report unless you
21 have any questions for me.

22 GOVERNOR BUSH: Any questions?

23 (No response.)

24 MS. MCCARTHY: Okay. Thanks.

25 GOVERNOR BUSH: Mr. Causey, how you doing, sir?

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1 MR. CAUSEY: Good morning, Governor.

2 GOVERNOR BUSH: Welcome to Tallahassee, Florida.

3 MR. CAUSEY: Thank you very much. Thank you very
4 much. And honorable cabinet members, it's great to be
5 here every year. We really appreciate this. My portion
6 of the report, annual report, is going to be brief. I
7 want to point out that our draft revised management plan
8 is out. We've already gone through the public review and
9 we had a tremendous amount of public and very positive
10 comments on the draft plan.

11 The final goal, our goal, is to get the plan out in
12 final form around November and we should have it published
13 at that time. I would also like to report that we have
14 the Dr. Nancy Foster Florida Keys Environmental Complex
15 where we have 3 acres that we got from the Navy down on
16 the harbor in the Truman annex. And we are building a
17 \$12 million facility that is going to house both DEP's and
18 our efforts there in the Florida Keys. We're going to
19 have an administrative facility, a lower Keys operations
20 facility. But the highlight of it is going to be a

21 9,000-square-foot inter agency visitor center that we're
22 doing jointly with the National Park Service, the Fish and
23 wildlife Service, as well as the South Florida Water
24 Management District and DEP.

25 GOVERNOR BUSH: How did you get the money?

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1 MR. CAUSEY: Federal dollars. Now, a lot of the ¹⁰⁷
2 funds are being raised locally for the exhibits. But this
3 is going to be a very high tech center. We're going to
4 have underwater cams out on the reef track where people
5 will be able to go into the visitor center and actually
6 tune in to underwater cameras and look at the coral reef
7 and the inhabitants. It's going to be a world class
8 destination for Key West and it's right there next to the
9 Navy property right on the harbor walk and it's
10 tremendous. And we're going to invite each and every one
11 of you down for a ceremony when we get ready to cut the
12 ribbon.

13 GOVERNOR BUSH: Once we get this agreement with
14 Monroe County done on the wastewater, we'll come down on a
15 road trip.

16 MR. CAUSEY: That sounds like a good one. All right.
17 Thank you very much. And if you have any questions, I'll
18 be glad to answer those.

19 GOVERNOR BUSH: Any questions?

20 MR. CAUSEY: I'm going to be back before you on
21 another issue in a moment.

22 GOVERNOR BUSH: You are?

23 MS. CASTILLE: Tortugas.

24 GOVERNOR BUSH: Oh, that's the second one.

25 MS. CASTILLE: That's the second one.

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1 Paul Johnson representing Reef Relief.

2 MR. JOHNSON: Governor, cabinet members, it's a
3 delight to be here today.

4 GOVERNOR BUSH: Good morning.

5 MR. JOHNSON: I just wanted to sort of echo some of
6 the comments from Billy and his staff regarding the
7 sanctuary. I've been involved in the sanctuary process
8 back since I worked for Governor Martinez in initiating
9 this process many, many years ago. Have followed it very
10 closely. There is some progress being made out there.
11 Water quality is generally good but it's specifically bad
12 around coastal areas. We have a lot of work to do on the
13 issues of water quality. And your discussions from the
14 previous agenda, I hope you will work to move forward with
15 Monroe County addressing the wastewater concerns and the
16 storm water concerns. The City of Key West has taken a
17 strong leadership in addressing those and water quality is
18 generally improving in nearshore coastal waters there off
19 of Key West, one of the most populated islands in the
20 Keys, probably the most populated and active islands in
21 the whole world.

22 GOVERNOR BUSH: How is -- the reef depreciation
23 was --

24 MR. JOHNSON: It's horrible. It's absolutely
25 horrible.

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1 GOVERNOR BUSH: What's your assessment of that? ¹⁰⁹ why
2 is that happening?

3 MR. JOHNSON: I believe that it's water quality.
4 There's a combination of things. Global warming is
5 something we can't control from Monroe County's
6 specifically perspective but that is a factor. There's a
7 number of factors. I believe water quality, not just from
8 the keys, but from some other sources are critical to
9 correct if you're going to improve coral reef.

10 A good case in point is two of the major reef
11 building species of coral, not just in Florida but
12 throughout the Caribbean are elkhorn and staghorn coral.
13 Those are right now under consideration of the federal
14 government to be on the endangered species list. So we,
15 obviously, are not doing the job to clean up the reef if
16 two of the major reef building corals are getting ready to
17 be listed because of their precipitous decline in
18 populations. Over 90 percent of those species are gone
19 from the coral reefs.

20 So we have a lot of work to do. The sanctuary is a
21 wonderful thing to bring attention and focus and to
22 educate what's going on out there. But I think we need
23 to -- we need to address the real problem of people living
24 in a coral reef. And I appreciate your interest in
25 continuing with this process. Thank you.

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1 GOVERNOR BUSH: Thank you. 110

2 MS. CASTILLE: Governor and members of the cabinet,

3 that concludes our speakers and we recommend acceptance of
4 the report.

5 GOVERNOR BUSH: Now this is --

6 MS. CASTILLE: This is just the report on the Keys'
7 sanctuary annual report.

8 COMMISSIONER BRONSON: Governor --

9 CFO GALLAGHER: Motion.

10 GOVERNOR BUSH: There is a motion.

11 COMMISSIONER BRONSON: Second.

12 GOVERNOR BUSH: Any other discussion?

13 COMMISSIONER BRONSON: I would like to -- and I put
14 this on your desk, members, that a report that came out
15 from USGS that shows some of the things that are happening
16 in the Keys, something that I brought up a few years ago
17 in the Everglades discussion and everybody thought I was a
18 snake handler when I brought this up --

19 GOVERNOR BUSH: No, we didn't.

20 COMMISSIONER BRONSON: Oh, yeah.

21 (Laughter.)

22 But the point is, this African dust situation that
23 everybody kind of made light of for a number of years is a
24 truly --

25 GOVERNOR BUSH: This is the first time you brought

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1 this up.

2 COMMISSIONER BRONSON: No, no, this was back when I
3 was in the Legislature on the Everglades. And I kept
4 trying to indicate there are other factors we can't
5 control and African dust is one of them. And that dust is
6 bringing over, not only pathogens of different types that

7 have directly been listed as some of the causes of our
8 coral reef decline, not only in our state but around the
9 area that this dust falls in. I think the 2000 storm
10 brought over 8,000 tons of dust was what was figured in
11 that storm.

12 The last one, I'm not sure if they've got any figures
13 on that one yet, but those storms also bring over
14 pathogens of different types for land and sea animals
15 along with bacterias and viruses and pesticides from
16 Africa that we have banned in this state that end up here
17 whether we want them to or not. And I'm bringing this up
18 strictly to say there are natural causes. This has been
19 going on for hundreds of years. It's not anything new.
20 It's just every so many years we get the right wind
21 conditions to bring this dust over.

22 GOVERNOR BUSH: Just happened last -- several weeks
23 ago, didn't it?

24 COMMISSIONER BRONSON: Yes, and this is the first
25 time a major storm since 2000, I think, has come into this

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1 area. But that dust is all over the southeast United ¹¹²
2 States, all over our water bodies, all in our coral reefs
3 and it is a major problem. I just want to add that to the
4 list of things we can't control to the things that we're
5 already doing to try to control what we can to prove that
6 when water quality goes out of compliance in the
7 Everglades or in the Keys because of certain elements, we
8 need to know what caused it and sometimes these natural
9 occurring things that we can't control are the reason and

10 that's why I asked that people test the water immediately
11 before, during and after this storm to try to find out how
12 much influence this storm has. It looks like the keys is
13 already going on and has been going on and has recognized
14 in this USGS report that it is a major factor in the
15 decline of the coral reefs.

16 GOVERNOR BUSH: And I assume that you do real time
17 research on this so that you can actually get the data
18 that Commissioner Bronson is suggesting is important; is
19 that right?

20 MR. JOHNSON: Yes, sir.

21 GOVERNOR BUSH: Great.

22 MS. CASTILLE: It's a significant issue. I happened
23 to be down in the keys though the week that it did come in
24 and you could see the dust cloud coming in and the
25 difference when the sun set. You could see the haze that

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1 was all over the keys at that time.

2 COMMISSIONER BRONSON: Looked like you were in
3 Arizona. The sunset looked like Arizona's.

4 GOVERNOR BUSH: There is a motion and a second.
5 Without objection, the resolution passes.

6 Now, what's next?

7 MS. CASTILLE: Now, Item 2 is the National Park
8 Service management agreement for Dry Tortugas National
9 Park. Before you is the consideration of a management
10 agreement between the trustees and the National Park
11 Service for the submerged lands located within Dry
12 Tortugas National Park. In 2001, the national park and
13 the governor and cabinet supported the concept of having

14 the Dry Tortugas manage -- I'm sorry, the National Park
15 Service manage the Dry Tortugas.

16 when we went into negotiations on that effort, there
17 was a dispute as to who owned the submerged land
18 surrounding the islands. The islands were given up in the
19 1900s to the federal government for various reasons, the
20 latest of which was for lighthouses. The earlier reasons
21 were for military purposes. But instead of debating that
22 issue and going to court and determining who owns those
23 lands, we have agreed to disagree in the management plan
24 and to move forward on a collaborative basis with the
25 National Park Service and the federal partners to

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1 establish a management agreement that sets up a protection ¹¹⁴
2 for this ecosystem.

3 The management agreement requires the park service to
4 consult with the Fish and Wildlife Conservation -- well,
5 let me step back for a moment. The presentation that
6 Billy made earlier, Billy Causey made earlier, showed that
7 the park service has gone through enumerable public
8 hearings and the responses which 97 percent of the folks
9 who spoke and wrote in the public hearings have supported
10 the management agreement as it is proposed before you.

11 In the management plan -- we'll just deal with the
12 controversial issues first. In the management plan, there
13 is a recommendation for a research natural area. And in
14 that research natural area would be a no-take zone that
15 would work in conjunction with the two no-take zones that
16 were approved in accordance with the sanctuary in the

17 Tortugas' ecological reserve in 2001 that came before the
18 governor and cabinet. The research natural area was not
19 included in that but is included in this management
20 agreement.

21 what we have done is we've worked with the federal
22 government and with the Fish and Wildlife Conservation
23 Commission to have an agreement where we will -- where the
24 park service will take this process before the Fish and
25 wildlife Conservation Commission to get their concurrence.

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1 GOVERNOR BUSH: what happens if they don't concur?¹¹⁵

2 MS. CASTILLE: well, either way, we have to bring it
3 back here before the governor and cabinet. So we --

4 GOVERNOR BUSH: what happens if they don't concur?

5 MS. CASTILLE: we'd look to you-all to help make a
6 decision to support --

7 CFO GALLAGHER: we take that into consideration when
8 it comes back.

9 GOVERNOR BUSH: Okay.

10 MS. CASTILLE: Okay.

11 GOVERNOR BUSH: I'm just a little confused about
12 the -- this is kind of an added conflict. The first
13 conflict is who owns the sovereign submerged lands. And
14 the second conflict now is that it's been decided that the
15 cabinet is responsible for this and not the Florida Fish
16 and whatever it's called.

17 MS. CASTILLE: The Fish and wildlife Conservation
18 Commission.

19 (Laughter.)

20 GOVERNOR BUSH: I thought they were constitutionally
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21 empowered to make these determinations as it relates to
22 the state. I guess I'm wrong.

23 MS. CASTILLE: Typically when we give management
24 agreements over to the federal government we decide these
25 issues individually for those particular areas.

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1 GOVERNOR BUSH: But they are the ones that decide --
2 I'm talking about the fishing --

3 MS. CASTILLE: Right.

4 GOVERNOR BUSH: -- right now. They have the experts
5 because some of us like to fish, some of us don't. But
6 that's about the extent of which we understand these
7 things, probably so.

8 Yes, General.

9 GENERAL CRIST: Governor, you are right. The
10 Constitution in Section 9 states that the Fish and
11 wildlife Conservation Commission shall exercise the
12 regulatory and executive powers of the state with respect
13 to wild animal life and freshwater aquatic life. It shall
14 also exercise regulatory and executive powers of the State
15 with respect to marine life. So I don't really understand
16 why the cabinet is being asked to do their job. I concur
17 with you.

18 CFO GALLAGHER: We also have the responsibility for
19 all submerged lands that might be ours. And in the
20 agreement with the federal government who owns what is the
21 thing we have to deal with. So there is a dual
22 responsibility here and that's why, you know, I always
23 believed that it needed to go over there. And what we're

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doing is sending it over there. Now if they say
25 absolutely no, I guess that means that it's dead.

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1 MS. CASTILLE: well, it means that the federal 117
2 government then has a decision to make as to whether they
3 want to go forward with the management plan with or
4 without the research natural area. And it comes back to
5 you and we will have their input when it comes back to you
6 at that time.

7 CFO GALLAGHER: well, I'm interested in their input.

8 GOVERNOR BUSH: General.

9 GENERAL CRIST: Thank you. It seems to me, the
10 Governor expressed it well, they're the experts. They are
11 the wildlife Commission. Why is it that it's coming to
12 this board before it's going to the experts? It seems
13 convoluted to me. It should be to go to the experts in
14 that area, make a recommendation to us for us to approve.

15 MS. CASTILLE: well, what we have done in this
16 process is they've gone through their public hearing
17 process in accordance with federal administrative rules.
18 When we take action with the federal government on this,
19 the marine sanctuary, the Governor and cabinet have always
20 given direction. So we are here before you to give the
21 direction for it to go -- to begin the implementation
22 process which includes taking it to the Fish and wildlife
23 Conservation Commission. And we have included that clause
24 in the management plan.

25 GOVERNOR BUSH: Okay. So we will be getting their

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1 expert opinion and I would -- my guess is I'll defer to ¹¹⁸
2 their decision. This is kind of a -- I don't --

3 GENERAL CRIST: We're sort of the supreme court.
4 We're going to send it back to a district court and
5 they're going to send it back to the supreme court again.
6 It's kind of weird. I don't get that.

7 GOVERNOR BUSH: All right. So we have a few
8 speakers.

9 MS. CASTILLE: We do. Governor, members of the
10 cabinet, we've had many people come throughout various
11 places in Florida including the keys as well as Clearwater
12 and so I'd like to begin by asking Billy Causey to come
13 up.

14 GOVERNOR BUSH: Welcome back.

15 MR. CAUSEY: Thank you very much. It's great to be
16 back before you again and thank you very much for hearing
17 this issue. If I could, just to answer some of the
18 questions about that last one, and I'll ask my colleague,
19 Dan Campbell, superintendent of Dry Tortugas and
20 Everglades National Park to build on it. But the
21 agreement, as I understand it, between the State and the
22 National Park Service is far more than just the research
23 natural area. And that's why it's coming before you is
24 that is only one small segment of the entire agreement.
25 So it makes sense, at least in our -- in what we've seen

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1 in the process, that it come before you. ¹¹⁹

2 And I'm going to give you a very fast presentation.

3 You may recall back in 2001, April of 2001, you-all met
4 and actually three of you voted to support the Tortugas
5 ecological reserve and we tremendously appreciate that.
6 It had the same level of the kind of participation and
7 support that we have today.

8 GOVERNOR BUSH: The guy in the middle there doesn't
9 have any gray hair. Who is that?

10 (Laughter.)

11 MR. CAUSEY: Well, there are three very handsome
12 gentlemen there. Beautiful, yeah. (Laughter.) But,
13 definitely, we reached consensus. And you know in the
14 Florida Keys when you are recognized for consensus,
15 getting consensus, that means -- that's a solid statement.

16 GOVERNOR BUSH: Apparently so.

17 MR. CAUSEY: We also had commercial fishermen,
18 recreational fishermen, and conservation groups all coming
19 to agreement on this very important issue. At the same
20 time, we were working on the Tortugas ecological reserve,
21 working with our partners in DEP and the State. We also,
22 the National Park Service was working on a parallel
23 process. They were working on a parallel process to
24 develop a general management plan, one small portion of
25 which is the research natural area. This is what we ended

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1 up with. This is what you saw in April of 2001. And if
2 you'll notice, the darker hashed areas are Tortugas north
3 and Tortugas south. You establish this nation's largest
4 fully protected area in the marine environment.

5 Adjoining that to the south and over inside the Dry
6 Tortugas National Park is the Dry Tortugas National Park
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7 research natural area. And I'm going to explain why that
8 area is so important to add to the reserve. We did this
9 through an unprecedented process. We had 25 stakeholder
10 groups. It was a group formed under the authority of our
11 sanctuary advisory council. We asked them to use an
12 ecosystem approach, to ignore the jurisdictional
13 boundaries, and to come up with a very best sided
14 location.

15 They heard science, they heard science from
16 oceanographers, they heard from coral reef biologists.
17 But if you look at the last bullet, they heard from
18 fishermen and divers. They heard from people that make
19 their living on the water. The thing that impressed all
20 of us the most was the oceanography. We heard from
21 experts like Tom Lee with Rosenstiel University of Miami,
22 who described as the Florida current moves between us and
23 Cuba, a series of counterclockwise gyres form. That gyre
24 out around the Tortugas stands for at least two to three,
25 maybe four months a year. The one off of the lower Keys,

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1 the portalisgyre (phonetic), stands for one to two months
2 a year. Anything --

3 GOVERNOR BUSH: It stands, takes that long --

4 MR. CAUSEY: They're circulating for that long in
5 that one location. So clearly, if you look at the
6 reserves, we have the western Sambo Reserve just off of
7 Key West and that's a 9 square nautical mile area. And
8 you can imagine that Tortugas gyre, anything spawning
9 there, particularly the reef fish, are going to be in the

10 plankton for about three weeks and they're going to get
11 distributed all the way up the Keys.

12 Now to give you some examples, we learned this about
13 the oceanography because NOAA had funded four dozen
14 satellite tracking current meters to be dropped in along
15 the southwest coast of Florida, most of them around Shark
16 River Slough. And you can see all of them move to the
17 west and the south. And you can see that middle one is
18 caught up in the Tortugas gyre. So anything spawning
19 there is going to benefit all of Florida. One more bit of
20 evidence. A scientist went out and dropped in 1,000
21 little drifter vials on Riley's Hump, an area known for
22 spawning, right when the mutton snapper were spawning in
23 May of 1999. If you look around the Islamorada area right
24 where the nursery areas are in the seagrass communities,
25 the majority of those recovered came into those passes in

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1 that area. So the mechanism does exist.

2 But we also used social sciences. Not only just the
3 natural sciences, but we went out and interviewed all the
4 fishermen that were making their living out there. And
5 the idea was to try to not impact any one group too much
6 but that everyone would share a little bit of the pain.
7 And truly, it came out to where the boundaries that were
8 laid down were beneficial to all.

9 Again, jurisdiction. We worked with seven different
10 jurisdictions in that area. And I'm not going to name
11 each one of them, but there were federal and state
12 jurisdictions that we had to work with. But we asked our
13 working group to ignore the jurisdictional boundaries.

14 They first came up with a boundary orientation like this.
15 They ignored the boundaries so much they moved part of the
16 sanctuary outside. They established a new 60-mile square
17 area outside the existing boundary. They also squared off
18 the state waters to the north. But one thing they did do
19 is they recommended coming across the top of the Dry
20 Tortugas National Park. Well, the park was going through
21 their process at the same time and they were doing their
22 environmental assessment and they came back and they
23 demonstrated to us what we knew already, is that we needed
24 the shallow water resources inside the park to make it
25 whole.

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1 And so they came back with this configuration and ¹²³
2 this is what our working group saw right up to the end of
3 the process and this is what they approved. Just to show
4 you that these areas are working, in 1997, we implemented
5 the Western Sambo Ecological Reserve and we started
6 monitoring the resources there. And if you look off of
7 Key West, you see that little 9 square nautical mile area
8 that's hashed off of Key West, that area has been
9 tremendous.

10 And if you look at just the lobster population, you
11 look inside Western Sambo, and you can see that the number
12 of lobster and the size of the lobster have increased
13 since 1997. Just between '97 and 2001, there has been a
14 dramatic increase in numbers and in the size of the
15 lobster. And if you look at the reference area that's
16 right adjacent to it, the same kind of habitat, they have

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not increased in number or size.

18 Let's look at reef fish. We've seen more yellow tail
19 snapper showing up already. We've also seen more black
20 grouper showing up in these areas that are protected. But
21 look at this one. This is one that really impresses me.
22 The darker the more red the color, the more fish there
23 are. And just looking at yellow tail snapper populations
24 in '97, you can see around Western Sambo there was quite a
25 number of fish. Well, in '98, we had Hurricane Georges

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1 come through and the numbers dropped and it had us 124
2 concerned. The scientists came back in '99 and once again
3 the numbers were back up again. In 2000, the numbers were
4 up even more. And by 2001 the scientists were recording
5 fish that were spilling over from the reserve. So I
6 really have to point out that this is evidence to us that
7 these areas do work.

8 GOVERNOR BUSH: Well, if it's working, why do you
9 need to change it?

10 MR. CAUSEY: This is Western Sambo. Now, the area
11 out in the Tortugas, we've yet to be able to test all that
12 because we haven't been able to add those shallow water
13 habitats. Now there's some benefits or you're going to
14 hear about some things that are happening in the Tortugas.
15 But what we really need is inside the park, the research
16 natural area, are the seagrass areas, the nursery areas
17 for all the juvenile fish that grow up there. And that's
18 an area we need to add.

19 Now if you look at this, we're getting compliance.
20 If you see the three orange looking buoys, you can see all

21 those boats lined up on the side. And all of your
22 constituents that are fishing right there believe there
23 are bigger fish inside that no-take area.

24 GOVERNOR BUSH: Pretty good enforcement --

25 MR. CAUSEY: Thank you very much. I'll answer any
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1 questions that you may have. And by the way, the
2 photographer, Don Kinkaid, is one of our people that came
3 up from the keys and this is his photograph in Tortugas
4 north.

5 GOVERNOR BUSH: All right. Thank you. We have lot
6 of speakers.

7 MS. CASTILLE: Dan Kimball, director of the
8 Everglades National Park and Tortugas National Park.

9 MR. KIMBALL: Good morning, Governor and members of
10 the cabinet. My name is Dan Kimball. I'm the
11 superintendent of Everglades and Dry Tortugas National
12 Parks. And I'm accompanied today by Brian Culhane, the
13 chief of planning at the park who was the architect of the
14 plan that we're going to talk -- that we've been talking
15 about this morning. I'm also accompanied by Barry Roth,
16 the deputy associate solicitor for parks around wildlife,
17 today is representing the United States Department of the
18 Interior.

19 I'd like to thank you for considering this management
20 agreement today. We believe approval of this management
21 agreement is an important first step in implementing the
22 outcome of a collaborative planning process to preserve
23 and protect Dry Tortugas National Park. Before I outline

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24 the plan, I would first like to provide you with some
25 background on the National Park Service, our mission and
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1 Dry Tortugas National Park.
2 This is the park service mission and it applies to
3 all 384 units of the park service. was established --
4 this is our Organic Act from 1963 -- 1916. And there are
5 three take-home messages from the slide. Our principle
6 chart is preserving resources, natural and cultural;
7 providing for visitor enjoyment; and the challenge we face
8 every day of leaving these resources unimpaired for future
9 generations. At Dry Tortugas National Park, which was
10 established in 1992, we have six specific legislative
11 purposes and they really cover the wide range of things
12 that are included in the management agreement that you're
13 considering today.

14 First and foremost, protect and interpret a pristine
15 subtropical marine ecosystem including the intact coral
16 reef community. Second, protect populations of fish and
17 wildlife, turtles, and the fabulous bird population that
18 I'm sure many of you have seen on your visits to the Dry
19 Tortugas. Third, is protect pristine, natural environment
20 of the entire Tortugas group of islands. Fourth, preserve
21 and protect submerged cultural resources. We have more
22 than 200, almost 300, historic shipwrecks in the park.
23 Fifth, protect and stabilize, restore, interpret Fort
24 Jefferson. It's one of the largest 19th century coastal
25 fortifications in the United States, 16 million bricks.

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1 And if you've been out there, you know it's in need of ¹²⁷
2 some stabilization. We have a project underway right now
3 to do just that.

4 And finally, this goes to the heart of what we're
5 talking about today as well, is provide opportunities for
6 scientific research. It didn't take long, 1935 was when
7 we had the Fort Jefferson National Monument and we did a
8 general management plan which is really a blueprint for
9 the park for operations in 1983. After the Dry Tortugas
10 National Park was established in '92, we realized that
11 that '83 GMP did not adequately address the current issues
12 at the park. We had rapidly increasing visitation.
13 Visitation went up by a factor of four through the '90s.

14 with declining quality of visitor experience, we
15 needed to establish carrying capacities, we saw declining
16 fish populations in size and abundance of fish. We also
17 saw that there were coral and seagrass damage from anchors
18 and ground-ins. And also, as Billy pointed out, you'll
19 see totally surrounding Dry Tortugas National Park is the
20 Florida Keys National Marine Sanctuary. So we had a
21 number of jurisdictional issues that we needed to address.
22 And on top of that, in 1998, the coral reef executive
23 order was issued which mandated all federal agencies to
24 protect coral reef ecosystems.

25 We launched, in '98, a GMP planning process that was

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1 tagged along, was in collaboration with the Tortugas ¹²⁸ 2000
2 process that Billy mentioned. We took an ecosystem

3 approach. We used the best science. We went out with
4 Dr. Ault, who's going to be the next speaker, really took
5 a hard look at the site characterization, looked at the
6 marine resources, and we also commissioned the National
7 Academy of Sciences to look at various tools out there to
8 protect the resources to meet those legislative purposes
9 that I just reviewed a few minutes ago.

10 we collaborated through the Tortugas 2000 process.
11 we conducted joint scoping meetings, public hearings, and
12 we came up with separate plans but they were parallel and
13 consistent. This is the selected action, alternative C.
14 we had five alternatives in the general management plan.
15 And I don't have a pointer right here, but you can see
16 that natural cultural zone which is in the eastern part of
17 the park. This area right in here, very few restrictions.
18 There is the area right here. Here's where Fort Jefferson
19 is on Garden Key, Loggerhead Key here. We identified a
20 historical preservation adaptive use zone.

21 And then the area Billy was talking about was this
22 research natural area, that I'll talk about more in just a
23 minute, that really was what we thought we needed to get
24 full performance and meet those legislative purposes that
25 I talked about preserving a subtropical pristine marine

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1 habitat. And I just wanted to point out, this line right
2 here, this is where we have a contiguous boundary with the
3 Tortugas ecological reserve. And as Billy pointed out,
4 the deeper habitats are here. The shallower habitats are
5 in the park. And to get full performance of the reserve,
6 you need both areas.

7 The rationale for selecting alternative C, it best
8 supported park purposes and accomplished the mission and
9 provided for appropriate levels of visitor use and
10 enjoyment. It will reliably achieve objectives for
11 increased biodiversity protection while minimizing impacts
12 to recreational fishing, boating, diving and snorkeling.
13 And, again, combined with the Tortugas Ecological Reserve,
14 will maintain park resources in a nearly pristine state
15 for the benefit of future generations.

16 This research natural area you heard about this
17 morning really is to focus on non manipulative research,
18 resource protection, visitor education and nonconsumptive
19 uses. The focus here are minimal human disturbance. And
20 the appropriate activities that have been identified for
21 this zone are boating, snorkeling, diving, hiking,
22 wildlife observation, nature study and research. I mean,
23 there's a full suite of activities that are, in fact,
24 permitted in the research natural area.

25 The prohibited activities include recreational

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1 fishing, anchoring, only the mooring buoys are permitted. 130
2 And then also disturbing natural or cultural resources.
3 Just to put a finer point on the recreational fishing
4 component, keep in mind that 54 percent, 54 square
5 miles -- and by the way, the park, just for round figures,
6 is about 100 square miles in size. 54 percent of the park
7 remains open for fishing. And the most popular fishing
8 zone right around Garden Key in the area of the fort where
9 64 percent of the fishing trips occurred remains open.

10 There are also the overnight anchorage. There is fishing
11 permitted there. And the shallows around five to seven
12 islands is also permitted.

13 And also continuing there is an existing ban in the
14 park right now on commercial fishing, spear fishing, and
15 also the harvest of lobster, conch, and ornamental
16 tropical fish. There are large areas adjacent to both the
17 RNA and the ecological reserve that will remain open for
18 fishing.

19 Just quickly, to review the benefits of the proposed
20 action, and I think this really speaks to the wide range
21 of things that are covered by this management agreement
22 that you're considering today, would be to protect land
23 and sea habitats, basically the biological resource;
24 recover depleted fish stocks; sustain turtle and bird
25 populations; protect our important submerged natural,

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1 cultural (sic) resources, provide a higher quality visitor ¹³¹
2 experience. And, again, complement the Tortugas
3 Ecological Reserve's habitats for full performance, full
4 effectiveness of the reserve.

5 And, finally, to enhance the protection of the
6 regional ecosystem because, as Billy pointed out, with the
7 gyres out there, this is part of a working change of the
8 biological resources. This plays an important role in
9 both the regional ecosystem and in the
10 multi-billion-dollar tourism and fishing economy. We
11 issued the draft general management plan in 2000. We
12 received over 6,000 comments, 96 percent were supportive
13 and 4 percent opposed. And then the new administration

14 came in in 2001, in January, the eschew was taken under
15 consideration. In July 2001, Secretary Gail Norton
16 approved the management -- approved the general management
17 plan and has stated her goal was to have more fish and
18 bigger fish based on the implementation of this plan.

19 Finally, in terms of next steps, we would hope you'd
20 act favorably on the management agreement to set the stage
21 for, as I say, rulemaking, special rules that would
22 implement the entire general management plan, not just the
23 research natural area but a lot of other components of the
24 plan. We're prepared to go and meet with the Fish and
25 wildlife Conservation Commission. I've had some

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1 preliminary discussions with them. We're prepared to go ¹³²
2 to the meeting on September 22nd, discuss the regulations
3 with them, talk to them in terms of consultation and
4 review and then return here for concurrence of the
5 governor and cabinet. And then following that, hopefully
6 we would implement the general management plan and the
7 research natural area. We'd deploy mooring buoys and a
8 permit system.

9 And I'd like to leave you with this. I think really
10 to implement this plan out there is going to require a
11 federal state cooperative effort for enforcement,
12 research, monitoring, and adaptive management. That's our
13 bottom line. To implement this out there, we need to work
14 with our partners and we're prepared to work with the
15 Florida Keys National Marine Sanctuary and the State of
16 Florida in implementing the plan. Thank you.

17 GOVERNOR BUSH: Thank you very much.

18 All right, Colleen. Are we going to have -- we have
19 a lot of speakers so hopefully --

20 MS. CASTILLE: We do and we have --

21 GOVERNOR BUSH: A lot of speakers and not much
22 opposition.

23 MS. CASTILLE: The next two speakers are Jerry Ault
24 and Ted Forsgren. Dr. Ault is from the University of
25 Miami Rosenstiel School.

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1 GOVERNOR BUSH: Good morning, sir.

2 MR. AULT: Good morning, Governor, cabinet.

3 Governor, I hope you enjoyed your golfing on Sunday. I
4 was about three groups behind you.

5 GOVERNOR BUSH: I did. You want me to name-drop? I
6 played golf with Andy Garcia.

7 MR. AULT: Yeah, I know. I didn't have quite an
8 illuminist group with myself. But professors at the
9 Rosenstiel school invite you to come down and golf with
10 us. Maybe we can have a little bit of fun.

11 (Laughter.)

12 Back up and just make a couple of comments about
13 where we're at. I am a fisherman and I'm concerned about
14 fishing in Florida because it does support a significant
15 component of the economy, about \$6 billion and I think
16 100,000 jobs is the key. I'm also a founding member of
17 Bonefish Tarpon Unlimited who are dedicated to really
18 catch and release fishing and sustainability of fisheries
19 in a multi billion-dollar fishery.

20 Fishing is tied to both fishing and tourism. Of

21 course diving is a big part. And so the opening slide
22 here really is a school of permit, large 20, 40-pounders
23 that we captured off Tortugas bank. Actually in the
24 ecological reserve, which is Sanctuary's part, last summer
25 to indicate that fishes are in fact there and do thrive in

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1 certain parts of the Keys.

2 But there's pressures. And so the pressures -- and I
3 think you know all about them. But I want to quickly just
4 kind of run through this slide to talk about population
5 growth. And Florida really exploded after the war years
6 which is our figure up here in the top left. If you
7 translate to south Florida, really there's been this
8 exponential growth in population. We hit 6 million at the
9 last census; doubling time is about 14 to 15 years in the
10 state. And that translates to recreational and commercial
11 fishing effort.

12 If you will, the bottom figure here represents the
13 transition of fishing efforts since it's been recorded,
14 about '64 to present. And it's been about a 600 percent
15 increase in fleet size, recreational fishery. Of course
16 commercial fishing has had the benefit of advanced
17 electronics, positioning communications, et cetera. So
18 the pressure is on. And the net result of that is
19 reflected in this graph. So I'm going to point out a
20 couple of issues here because the subsequent slides are
21 going to reflect that.

22 This 100 percent really is a spawning potential.
23 It's a total spawning stock if there were very little or

24 no fishing. And then a reduction occurs with fishing, if
25 you will. The sustainability line is really this 30

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1 percent which is a federal standard, a benchmark for ¹³⁵
2 sustainability. If stocks fall below that, you've got a
3 problem. And what you see really in the Florida Keys, in
4 the snapper/grouper complex is what we call serial
5 overfishing. About 70 percent of those fishes we consider
6 important to the fishery and sustainability of the system,
7 are below this definitional level of sustainability. Some
8 are in critical levels. And what I know about the future,
9 for your investment portfolio associated with retirement,
10 you wouldn't want it in this condition to think about
11 retirement because sustainability is a real question.

12 This is keys wide for interconnected system.
13 Translating that, and I'm going to use black grouper as an
14 example. What does this mean. If you will the top -- so
15 in essence, it's fishing intensity which is fishing
16 mortality rate which runs out here along the X. Average
17 size is reflected in average size. And this is black
18 grouper that you would expect with no fishing. So the
19 short story all fishermen know is with very little fishing
20 fish are real big and our arms are wide apart.

21 As fishing increases, the average size of those fish
22 caught decreases. So at that sustainability level that I
23 showed you which is the second dot on this figure, in
24 essence, you're down to about 35 percent of the original
25 spawning stock and the size of the fish has dropped from

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1 roughly 40 inches, 42 pounds down to about 30 pounds, ¹³⁶ 30
2 inches. At the current level of exploitation for this
3 stock, where we're at today, you're down to an average
4 fish of about 28 inches and 12 pounds. And what you see
5 has happened is you've truncated the stock, you're
6 knocking off all the old, large breeding population by
7 this intensive fishing effort. That relates to future
8 sustainability. So that's kind of the pattern I was
9 showing you through that graph.

10 But what does this mean biologically? Biologically,
11 bigger is better. Because bigger means in essence more
12 production in terms of yield, returned catch rates per
13 anglers, yield on the dock, economic viability. But also
14 translates out and what you see is fish grow up rather
15 quickly. In this case grouper is basically -- this black
16 grouper lives to 33 years. But it translates in future
17 reproductive events. Older and larger an animal is, the
18 more important it is biologically to the stock. It's also
19 important sociologically and economically because bigger
20 is better and like I said before, you don't see a
21 bummed-out person on this figure and that's really the
22 issue, more fish means better things all the way around.
23 And what I'm pointing out to you is we have an issue in
24 the Keys because what was historically a rather vibrant
25 fishery is now suffering some significant changes.

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1 well, we've conducted these surveys. In fact, the ¹³⁷
2 Tortugas, we've done about 4,000 dives in the baseline.

3 It's involved a variety of agencies. We've covered a
4 variety of habitats. So it's statistically rigorous in
5 the sense that I'm showing you the baseline surveys, each
6 of these dots represent at least four scientific dives,
7 the two survey years are red and green. And why I'm going
8 to point out this to you quickly is here's the closed area
9 under the sanctuary's piece of this puzzle in the
10 Tortugas. The park, of course, is yellow. The proposed R
11 & A (phonetic) boundary is shown here in red. And the
12 open no restriction kind of open fishing area is the green
13 area.

14 So all the figures subsequently reflect this picture.
15 So we went out and looked baseline and said, black
16 grouper, for example, what did we see. The white dots
17 represent the fact that we went there, looked, we saw
18 nothing. The closed circles represent the numbers of
19 fishes we see per 200 by 200 unit area. The index shows
20 you what it is. And so the short story is about
21 18 percent of the sites had fish and the site structure
22 was significantly reduced.

23 After implementation, essentially three years later,
24 this is the result with extra strength reserve effect.
25 You see, in fact, fishes are showing up. We had 36

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1 percent of the sites we visited had black grouper and you
2 can see where those, in fact, were showing up. The net
3 effect of that, so go back to that figure now to talk
4 about the recovery, what do we expect, 1999 and 2000
5 represent pre implementation. And, if you will, we had
6 that truncated size structure. The minimum legal size is

7 24 inches. I had metric units here so I marked that to
8 show you.

9 The bottom figure is the 2004 picture which is
10 indicating this relaxation of fishing mortality which has
11 caused, if you will, the net result has increased in size
12 structure which was predicted under reserve theory and it
13 was a good sign. If you look spatially, so I'm going to
14 take this picture and reconstruct it by the area so the
15 open fished area, the park area, and then the closed,
16 fully closed bank area in the National Marine Sanctuary,
17 clearly shows that patterning I'm talking about.

18 And that picture was true, as Billy talked about Keys
19 wide, we've seen this in other areas. But, remember,
20 we're talking about small areas relative to the whole.
21 The question is rebuilding the total stock. We see this
22 for mutton snapper. I'll just flash through a few to show
23 you the pattern. Red grouper, same similar pattern. And
24 a very important one, Goliath grouper, which is kind of
25 the charismatic megafauna of the Keys, threatened and

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1 endangered. They get big and they're about four times the
2 size of me at full grown so that's a big fish.

3 The survey, this shows the composite of 1999/2000 for
4 the total area. And then the 2004 picture shows -- so we
5 had basically a three-spot scene in 1999/2000. In 2004 we
6 had 10 areas that had Goliath grouper. So showing some
7 level of protection has a big benefit. Total summary
8 here, green means positive and statistically positive. So
9 short story for a variety of things, both commercial and,

10 if you will, nonexploited because we looked at the entire
11 community, about 270 fishes. Shows a very positive
12 increase and it's early in the game. We are way early but
13 the signs are showing a positive reflection and what we
14 would expect under the theory. And the point is,
15 temporary regulations are not having the kind of effect
16 they need. A composite that deals with the bigger picture
17 is important. So we need to look at the balance of our
18 activities, reserves, traditional management,
19 environmental variability and just chance. And ask the
20 question with the growth that we know is occurring anyway,
21 are the management measures we're taking sufficient to
22 sustain these resources in the long term.

23 A current paper in the proceedings, the National
24 Academy of Science has demonstrated clearly through a
25 theoretical means but points out the fact an optimal

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1 management strategy, in fact, is one that includes both ¹⁴⁰
2 traditional controls and spacial management control. And
3 then in summary, we have documented significant effects,
4 dramatic effects within the reserve area, in fact,
5 proximal to that. I view that as a win/win situation
6 that's good for the fish, it's good for the ecosystem,
7 it's good for the fishermen, it's good for Florida's
8 economy in the long run. And if we're trying to produce a
9 legacy, which is sustainable in the vibrancy of Florida, I
10 think this is an important way to move. Thank you.

11 GOVERNOR BUSH: Thank you very much.

12 MS. CASTILLE: Thank you, Dr. Ault.

13 Ted Forsgren.

14 MR. FORSGREN: Governor, members of the cabinet, my
15 name is Ted Forsgren and I'm here today to represent
16 Coastal Conservation Association of Florida and our 10,500
17 conservation-minded saltwater anglers. Nationally, we
18 also have 95,000 members in 15 coastal states and we've
19 been involved in fisheries, conservation issues, and
20 fisheries management for more than 20 years.

21 We're here today, the management agreement that you
22 have put together appears to be a reasonable solution to
23 solve the ownership problem of the submerged lands in
24 terms of trying to put it together so we're okay with that
25 and any other measures in there. Our primary concern is

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1 one that each of you talked about earlier and that's ¹⁴¹
2 Exhibit B which has the fisheries management regulations
3 in there. And we just want to be sure, and it sounds like
4 you're not inextricably bound to what is in the attachment
5 and that you could have the Florida Fish and Wildlife
6 Commission review what's being done because, you know, a
7 research natural area is called one thing, but it's really
8 a 46-square-mile area where they're not going to allow any
9 fishing whatsoever. That's half of the national park.
10 Now we don't believe that that's necessary.

11 We believe that there are certain types of fishing
12 activities, catch and release fishing for tarpon and
13 permit which is done in that area now. It's going to have
14 less impact than other activities that they're allowing to
15 be done in the closed area. So we want the Florida Fish
16 and Wildlife Commission to look at that.

17 There's also been some new research that came out by
18 the Commission in 2004. Because this whole debate over no
19 fishing zones and whether or not they serve as a fisheries
20 management tool has been going on for the last eight or
21 nine years. In this particular case, the researchers from
22 the Florida Fish and Wildlife Commission wanted to find
23 out whether this area by the Space Coast, by the Space
24 Center, which has been closed for 40 years, if you try to
25 go in there, there is someone in federal outfits that's

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1 going to escort you out. It's been closed for 40 years. 142
2 what they did is looked at nine years worth of tagging
3 data to see whether it served as a resource sink or as a
4 resource replenishment zone and there was no question. It
5 was drawing a lot more fish in than what it was expelling
6 out which is what you would expect to see in a lot of
7 these closed areas. So the issue is still very open on
8 that, what the Commission did.

9 And the last thing I'll say, because I see the stop
10 button is on. The Yellowstone National Park is one of the
11 premier parks in the national park system and you can fish
12 virtually everywhere in the park. It's the catch and
13 release only for the native trout, I gave the copies of
14 the regulations to your staff last week. The only places
15 you can't fish are areas near bridges or other problems or
16 in a place where you may get attacked by a bear.

17 So here's the Yellowstone National Park allowing
18 fishing in the different areas. So, you know, we would
19 encourage you. And like you said is to send it to the
20 Florida Fish and Wildlife Commission, we'll make our

21 arguments there and then hopefully it will come back and
22 you can see where you go from there. Thank you.

23 GOVERNOR BUSH: Your proposal is fishing can be
24 allowed in this place unless you have a chance of getting
25 attacked by a bear?

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1 (Laughter.)

2 MR. FORSGREN: Right. That would work fine because
3 there's very few bears out there, I understand.

4 CFO GALLAGHER: Unless the bears agree to catch and
5 release.

6 MS. CASTILLE: There are some awfully big Goliath
7 grouper out there though.

8 we have a number of other speakers and what I'd like
9 to ask is if I can call all the speakers up and everyone
10 move quickly through this process. Starting with
11 commissioner George Neugent and then Bruce Poppell, David
12 White, Kelly Greenman, Maryanne Gengenbach.

13 COMMISSIONER NEUGENT: Governor and cabinet, it's a
14 pleasure to be here before you today on this very special
15 issue. However, I am going to regress for just one
16 second. You guys hit a home run by doing what you did
17 just a little earlier on the previous issue. I had to say
18 thank you very much for your astute observation and I kept
19 out of it. Thank you very much.

20 Governor, I will make this very short. I will point
21 out that this morning people who are very much interested
22 in the -- this particular issue, we got on the charter
23 plane this morning and flew up here just to speak to this

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24 particular issue. And I just want to represent, based
25 upon the name call of the people that are here to speak on
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1 this, Bruce Poppell who will be right behind me who owns ¹⁴⁴
2 Marathon Boat Yard, Ralph Borgene who represents the
3 Monroe County commercial fishermen; Jack Curlette, Marine
4 Max Boat Sales. Richard Grathwall representing the flats
5 fishermen of Marathon Guides Association; Don Kinkaid who
6 is a charter captain of the Stars and Stripes. David Ritz
7 couldn't make it to be here today; Bob Holston
8 representing the dive industry and Dave Bond with Mote
9 Marine.

10 I also bring to you something that's as scarce as
11 hen's teeth in Monroe County and that's a unanimous
12 support and resolution of this particular project from the
13 county commission. It's here, it's certified and signed.
14 I brought this to the Commission, propose that they have
15 always been there on these particular issues. So I won't
16 be so presumptuous as Commissioner Nelson said that I
17 speak for all 80,000 people in Monroe County, but I do
18 have five county commissioners that I speak for on this
19 particular case who represent a very large percentage of
20 the people of Monroe County who support this. We also
21 support the Florida Keys National Marine Sanctuary and
22 what's been proposed here.

23 I would also ask all the people who came up to speak
24 to this particular issue if you'll just stand and maybe
25 waive some of the time you had to speak before the

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1 cabinet. This is a very strongly supported recommendation
2 and, Governor, we'd certainly like to see you guys take
3 action on this so we can be done with it. Thank you very
4 much.

5 GOVERNOR BUSH: Thank you, Commissioner.

6 MR. POPPELL: Honorable Governor Bush and
7 distinguished members of the cabinet, I was going to say
8 good morning but it's now afternoon. My name is Bruce
9 Poppell. I have the good fortune to live and work in the
10 Keys and, yes, it is a Keys thing, Governor. It's not
11 often that I have an opportunity to wear a coat and a tie.
12 But I actually do have socks on today. I proudly serve on
13 the Florida Keys National Marine Sanctuary Advisory
14 Council as the marine industry representative. The
15 council honored me this past year, I think I got the short
16 straw, with their trust and responsibility of chairing
17 that body.

18 As you approach this critical decision today for the
19 Dry Tortugas National Park general management plan
20 amendment, I ask your consideration for the following
21 things: First of all, I grew up in the state of Florida
22 on the west coast and I started fishing with my father on
23 the beaches and the bays and the bridges. And I learned
24 at that time that this is an incredibly valuable resource
25 for our state, the waters and the fish. We only kept what

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1 we could eat, we put back what we didn't want to, we
2 followed the rules and regulations.

3 Today, I own a sport fish boat. I also own a boat
4 yard so I don't get to use the sport fish boat very often
5 but I still use those same principle and I want you to
6 know the opponents of this management plan do not speak
7 for me.

8 GOVERNOR BUSH: There is no opponents, that's the
9 part --

10 MR. POPPELL: Opponents to the no-take areas. Let me
11 rephrase that. Okay. Secondly, as I said, I own and
12 operate Marathon Boat Yard. We work on hundreds of boats
13 every year, recreational, commercial and charter boats,
14 and I deal with these folks every day and we share stories
15 and talk about what's biting and where the fish are and
16 what proper bait to use and release tactics and all these
17 things. And I know these folks that are living in the
18 keys that are there all the time. And we want to go out
19 and have a quality fishing experience. We want to have a
20 quality fishing experience for our children and our
21 grandchildren down the road. We are the famous, silent
22 majority. Because the opponents to those no-take zones
23 don't speak for us.

24 As George Scott had a unanimous vote, I'm here as
25 chairman of Florida Keys National Marine Sanctuary

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1 Advisory Council, I present to you a motion that was put
2 forward by Richard Grathwall who is the recreational
3 fishing representative, seconded by Ralph Borgene who is
4 our commercial fishing representative, both who are
5 present here today, and was passed unanimously by a roll
6 call on the June 21st meeting. The opponents for this

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7 management plan in these no-take zones don't speak for us.

8 This motion respects the time and the processes for
9 the development of this plan with all the stakeholders.
10 we endorse and strongly recommend that the honorable
11 Governor and the cabinet for the State of Florida vote to
12 adopt this management plan. We have an incredible
13 partnership, the State of Florida, the federal government,
14 and the citizens of Monroe County. And this management
15 plan is an extension of the partnership we have right now.
16 I ask for your support. Thank you.

17 GOVERNOR BUSH: Thank you for coming up. You look
18 good in a coat.

19 (Laughter.)

20 MR. WHITE: Good morning, Governor, members of the
21 cabinet. My name is David White. I'm the regional
22 director for the Ocean Conservancy in St. Petersburg,
23 Florida, representing 14,000 members in Florida and
24 170,000 members nationally. I would like to go right to
25 the question that you raised, Governor, about what happens

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1 if the Fish and Wildlife Commission doesn't approve this,
2 and Attorney General Crist.

3 First, I'd like to say we worked very hard on this
4 agreement. We've been at this for ten years. We helped
5 negotiate the settlement. As you can see from the
6 presentations this morning, a lot of hard work went into
7 coming up with this agreement. Everybody gave up
8 something. The recreational fishermen gave up something,
9 the environmentalists gave up something, the commercial

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fishermen gave up something.

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We went through 11 public hearings on this and got, as you saw, an overwhelming 96, 97 percent public support. The Ocean Conservancy working with our partners, the National Conservation -- and National Parks and Conservation Association put together public workshops to build public support to get people to come to these meetings. At this time, CCA, the Coastal Conservation Association, could have come to those meetings, could have submitted public comments, could have brought up catch and release fishing but didn't.

The Fish and Wildlife Conservation Commission could have provided public comment, could have weighed in on what kind of activity should be allowed there, they didn't do that. Only when -- you know, at the end of this whole process, we've been working on this for ten years, for the

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last four years we've been trying to negotiate a settlement between the state and federal government over jurisdiction on these issues. We have taken the position all along we don't really care who owns it, we want to see it protected. We could spend a long time in litigation, trying to resolve the jurisdictional issues and end up years from now still disagreeing over who has jurisdiction here. We want to see this area protected.

At some point, we have to call the question on this. And what we're looking for is some leadership from the Governor and cabinet to give some direction to the Fish and Wildlife Conservation Commission that they approve this management agreement. We could conceivably, without

14 an agreement, go to the Fish and Wildlife Commission and
15 they could say, well, this is just hypothetical, absent an
16 agreement between the state and federal government over
17 jurisdiction on this, we don't know if we have the
18 authority to issue regulations.

19 GOVERNOR BUSH: As soon as the speaker is finished,
20 we'll have an agreement.

21 (Laughter.)

22 MR. WHITE: That being said, I thank you for your
23 time.

24 GOVERNOR BUSH: This is from sales and marketing 101
25 now, You can only go down --

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1 (Laughter.)

2 MR. GUGGENHEIM: Governor, members of the cabinet,
3 thank you for the opportunity to speak. And I will be
4 brief. I'm David Guggenheim. I'm a consultant in
5 conservation, science, and policy based in Washington,
6 D.C. I am a former Floridian, formerly the president of
7 the Conservancy of Southwest Florida and Naples cochair of
8 the Everglades Coalition, vice president of the Ocean
9 Conservancy.

10 I'm here as a private citizen of the District of
11 Columbia but with a burning love for Florida in my heart.
12 I've been spending the bulk of my time in the Gulf of
13 Mexico on a number of national and international
14 initiatives including the newly formed Gulf of Mexico
15 alliance, a collaboration among the gulf states formed
16 thanks to the leadership of Governor Bush. And we're

17 getting unprecedented attention to the Gulf of Mexico and
18 it's about time. The Gulf has been described as the
19 forgotten ocean and yet it harbors some of the most
20 incredible life on the planet. And I just have the
21 privilege of participating in a recent expedition to
22 Pulley Ridge which is north of Tortugas, the deepest coral
23 reef in the continental United States.

24 And in the fall, in November, the first ever state of
25 the Gulf of Mexico summit will be held in November in

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1 Texas. And Texas state governor, Governor Perry, has ¹⁵¹
2 issued an invitation to the other Gulf governors to
3 participate and we look forward to that very much. It's
4 also a time of unprecedented attention to our nation's
5 oceans as a whole with the ocean commission report. It's
6 the first time in a generation we've looked at our ocean
7 policies, the policies governing our oceans and they're
8 looking for good examples of how to do this. They
9 recognize that governing our oceans is tough. This is a
10 good example.

11 A lot of people in this room have invested a lot of
12 hard work and have done a terrific job on this. It
13 understands -- it looks at new ways for government to work
14 together and has involved many, many people in the process
15 and we would be very grateful for your support of this
16 moving forward. Thank you for the opportunity.

17 MS. CASTILLE: I'm going to let Kelly close. But let
18 me just read to you who is here. Maryanne Gengenbach from
19 the Nature Conservancy and Audubon; Paul Johnson,
20 president of Reef Relief; David Vaughn, Center for Reef

21 Research; Bob Harris from the Professional Association of
22 Diving Instructors; Jon Stewart from the Diving Equipment
23 and Marketing Association; Bob Smyth who is a police
24 officer but an avid diver and fisherman in the Keys from
25 Clearwater, St. Pete area; Manly Fuller and Preston

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1 Robertson from Florida Wildlife Federation; Alison DeFoor ¹⁵²
2 from Earth Balance; Richard Grathwohl from Recreational
3 Fisherman and the Sanctuary Advisory Commission; Jason
4 Bennis (phonetic) from National Park Conservation
5 Association; Ralph Borgene (phonetic) from Monroe County
6 Commercial Fishermen; David Guggenheim who just spoke; and
7 Bob Holston and then lastly Kelly Greenman from the world
8 wildlife Fund.

9 MS. GREENMAN: Thank you for your time. My name is
10 Kelly Greenman and I'm here on behalf of world wildlife
11 Fund's Team Panda. We're a student environmental group in
12 the Florida Keys. You may remember us from our 2001
13 testimony on behalf of the Tortugas ecological reserve.
14 I'm now 18 years old and I've lived in the Florida Keys my
15 entire life. My earliest memories involve snorkels and
16 angel fish. So I've grown up recognizing the reefs as an
17 invaluable asset and that's why I think the research
18 natural area should be protected, to preserve a beautiful
19 place for the generations to come. On behalf of the
20 students of Team Panda I thank you and I urge you to adopt
21 the research natural area to complete the Tortugas
22 ecological reserve. The Tortugas are my back yard and I
23 hope that they continue to thrive with your support. It's

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really up to you, the dedicated decision makers of today
25 who are going to preserve something that's ours to inherit

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1 tomorrow. Thank you.

2 GOVERNOR BUSH: Thank you, Kelly. Well said.

3 CFO GALLAGHER: I move Item 2 so it can go over and
4 be heard at the Fish and Wildlife Commission.

5 COMMISSIONER BRONSON: Second.

6 GOVERNOR BUSH: We have approval. There is a motion
7 and a second. Any other discussion? Is there anybody
8 else that wants to speak? Without objection, the motion
9 passes. Thank you all very much for coming.

10 MS. CASTILLE: Thank you all for coming.

11 Item 3, Governor, members of the cabinet, is a
12 consolidated final order from the Division of
13 Administrative Hearings on an issue that you voted on
14 earlier. This is the Atlantic Dry Dock Corporation
15 consolidated intent to expand their operations in
16 Jacksonville.

17 CFO GALLAGHER: Motion on 3.

18 GOVERNOR BUSH: Is someone speaking?

19 MS. CASTILLE: I have staff available for questions
20 if you have any questions. No speakers.

21 CFO GALLAGHER: Motion.

22 COMMISSIONER BRONSON: Second.

23 GOVERNOR BUSH: There is a motion and a second.
24 Without objection, Item 3 passes.

25 CFO GALLAGHER: Move to withdraw 4 and No. 5.

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1 GOVERNOR BUSH: What?
2 CFO GALLAGHER: Withdraw 4 and 5.
3 GOVERNOR BUSH: There is a motion to withdraw Items 4
4 and 5.
5 COMMISSIONER BRONSON: Second.
6 GOVERNOR BUSH: And a second. Without objection, the
7 items are withdrawn.
8 MS. CASTILLE: Item 6 is a consideration of a
9 proposed settlement agreement in lieu of litigation to
10 clear title to land in Miami-Dade County, Florida. This
11 is a settlement agreement between the owner of a parcel of
12 formerly submerged lands that became filled with -- with
13 fill from the Intracoastal waterway. We are proposing to
14 quitclaim .89 acres of property that has accreted and the
15 current owners will give up 2.4 acres of land that they
16 had previously had title to.
17 CFO GALLAGHER: Motion on 6.
18 GENERAL CRIST: Second.
19 GOVERNOR BUSH: There's a motion and a second.
20 Without objection, the item passes.
21 MS. CASTILLE: Item 3 (sic) is determination of a .06
22 acre parcel of land owned in Pasco County is no longer
23 needed for conservation purposes and a determination that
24 the property is surplus as well as approval of a sales
25 contract under which the Board will convey .06-acre parcel

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1 to Alex Wilkie and Jackie Hendrickson whose driveway it
2 is.

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CFO GALLAGHER: Motion on 7.

GENERAL CRIST: Secretary.

GOVERNOR BUSH: There's a motion and a second.
without objection, the item passes.

MS. CASTILLE: Item 8 is a Miami-Dade County conveyance. Governor and cabinet, this is a consideration of a request to convey approximately 172 acres of land to Miami-Dade County in exchange for a conveyance to the County. They have agreed to release a deed restriction on three parcels of constructed Board of Trustees property.

GENERAL CRIST: Motion on 8.

GOVERNOR BUSH: No speakers?

CFO GALLAGHER: Second.

GOVERNOR BUSH: There is a motion and a second.
without objection, the item passes.

so this is no longer -- we no longer own Landmark?

MS. CASTILLE: We no longer own Landmark. It goes back to Miami-Dade County.

GOVERNOR BUSH: Good work, Eva, and on behalf of all the people that had to do all those leases. I'm sure it's a happy day.

MS. CASTILLE: I think a lot of people will be happy about that.

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Item 9 is a consideration of an authorization to amend the original terms of a conservation easement which was granted under the Green Swamp Florida Forever Project. This is with Chai Investments Company and the Board of Trustees.

CFO GALLAGHER: Motion on nine.

7 COMMISSIONER BRONSON: Second.
8 GOVERNOR BUSH: There's a motion and a second.
9 without objection, the item passes.
10 MS. CASTILLE: Item 10 is deferred until the next
11 cabinet meeting. This was the Harris School --
12 CFO GALLAGHER: Motion to defer on 10.
13 GENERAL CRIST: Second.
14 GOVERNOR BUSH: There's a motion to defer and a
15 second. without objection, the item is deferred.
16 what's going on with this -- oh, never mind. I'll
17 find out later.
18 MS. CASTILLE: It's a minor bump in the road. It
19 will be back.
20 GOVERNOR BUSH: Another pothole. It's the keys.
21 MS. CASTILLE: Item 11 is the conservation fund
22 assignment of option agreement for the Letchworth Mound.
23 It's an acquisition of 109 acres in full fee simple and a
24 perpetual conservation easement over 1281.6 acres of land
25 for a total of 1391 acres. Since you last saw this

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1 project in June, some additional archeological discoveries
2 have been made and the price of acquisition has been
3 reduced by \$250,000.

4 GOVERNOR BUSH: Because of the archeological find or
5 that's just two separate facts?

6 MS. CASTILLE: No, that was an agreement that
7 happened before the archeological find. So we have --
8 once the archeological find was revealed to the owner, the
9 owner called me and he said, Now, I believe the best thing

10 to do with this property is to make the deal with the
11 State and to conserve the property for archeological
12 purposes.

13 CFO GALLAGHER: What about the two mounds that got
14 flattened?

15 MS. CASTILLE: That got flattened in what way?

16 CFO GALLAGHER: With a bulldozer.

17 MS. CASTILLE: That's how we discovered that there
18 were archeological resources on this piece of property.
19 It happened prior to -- I think when I went to see the
20 property it was June of 2004 and it had happened prior to
21 that. And that's when we discovered all of the finds
22 there. We called in -- the owner called in the Department
23 of State and some archeological digs started occurring.
24 That's when the owner asked for an archeological review of
25 the property to be made.

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1 GOVERNOR BUSH: The archeological aspects of this, is ¹⁵⁸
2 it isolated in one part of the property?

3 MS. CASTILLE: It is not.

4 GOVERNOR BUSH: So if there is an archeological --
5 doesn't that diminish the value of the property?

6 MS. CASTILLE: It does not, sir. Our laws do not
7 protect the archeological -- do not protect keeping the
8 archeological artifacts there at the property. It allows
9 the owner to generally hold back on construction until
10 several digs are done and then they move forward with
11 construction.

12 GOVERNOR BUSH: But if it's spread out all over the
13 property, which I wasn't aware of, and the alternative for

14 us not buying this is for it to be developed, I assume,
15 right?

16 MS. CASTILLE: Yes, sir.

17 GOVERNOR BUSH: Which is what you're trying to avoid.
18 The owner would go to whatever county -- is it Leon or
19 Jefferson?

20 MS. CASTILLE: It's mostly Jefferson County.

21 GOVERNOR BUSH: It's both counties, I think, isn't
22 it?

23 MS. CASTILLE: It's in Jefferson and Leon. You can
24 see here the Leon County side.

25 GOVERNOR BUSH: So you'd go through the development

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1 process to seek additional density and there, there may be ¹⁵⁹
2 a problem. We're not diminishing the value of seeking. I
3 mean, because he could develop it based on the density he
4 has now, right? But he couldn't necessarily develop it if
5 it didn't have all the archeological stuff at a proposed
6 density that would justify the price that we're paying.

7 MS. CASTILLE: There is no element in the
8 comprehensive plan of either county that protects the
9 archeological artifacts.

10 GOVERNOR BUSH: State law doesn't either?

11 MS. CASTILLE: No, sir.

12 GOVERNOR BUSH: So you can just bowl over all these
13 mounds?

14 MS. CASTILLE: Yes, sir. But, generally, the
15 Department of State works well with developers and they go
16 in and they dig the most important artifacts out and then

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17 they develop.

18 CFO GALLAGHER: My understanding is that two of these
19 mounds were bulldozed since the last meeting we just had;
20 is that not true?

21 MR. WHEELER: No, there were no sites destroyed since
22 we did our archeological study. I'm Ryan Wheeler, the
23 state archeologist.

24 GOVERNOR BUSH: Okay. Ryan. Hang on a second. I
25 got a question just to either one of you. If there is

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1 construction, if there is a construction site and you find¹⁶⁰
2 remnants of an Indian culture or something, it stops
3 construction, doesn't it?

4 MR. WHEELER: No.

5 GOVERNOR BUSH: It doesn't. So you can just tear
6 this up?

7 MR. WHEELER: No.

8 GOVERNOR BUSH: Then why didn't the Miami circle guys
9 do that? I guess they got a better deal from the State in
10 developing it.

11 MR. WHEELER: Actually, the reason the Miami circle
12 was preserved to some extent was that the City of Miami
13 and Miami-Dade County have very strong archeological
14 preservation laws that were lacking in most cities.

15 GOVERNOR BUSH: So those were local laws, not state?

16 MR. WHEELER: They are local laws. The only time the
17 state or federal archeological preservation laws would
18 come into play is if there were a requirement probably for
19 a state or federal permit of some kind or state or federal
20 money would be involved. And in that case, in both of

21 those cases, the state historic preservation officer would
22 have an opportunity to review the proposed development and
23 make a recommendation regarding, you know, if an
24 archeological survey needed to be done.

25 If something significant was found, then there would

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1 be some negotiation. Either the developer would elect to ¹⁶¹
2 preserve the important site or they would pay perhaps
3 quite a bit of money to have it mitigated. In our review
4 of this particular project and the types of developments
5 that are permitted at this point or platted at this point
6 for both of these pieces, the Leon County and the
7 Jefferson County pieces, we couldn't find any evidence
8 that there would be any state or federal involvement.

9 Jefferson County does not have an archeological
10 preservation component to its code of ordinances. Leon
11 County does have an archeological preservation ordinance
12 that is very similar to state and federal law. And it's
13 likely that they would probably require an archeological
14 survey be conducted. Also though, in our review of the
15 archeological resources on this property, we had
16 identified -- initially, our records indicated that there
17 were nine archeological sites on this property. After our
18 survey, there were 17 archeological sites that we
19 identified. Those that are on the little Leon County part
20 of the site probably would not be considered significant
21 and so they would probably not represent an obstacle to
22 any developer.

23 GOVERNOR BUSH: Okay.

24 MS. CASTILLE: So before you today, the total
25 purchase price is 4.9 million which the board is paying
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1 4,716,500 and the Doris Duke Charitable Foundation is ¹⁶²
2 donating 250,000. As I mentioned earlier, Hurley Booth,
3 the owner, has reduced his price by 250,000 for a total
4 reduction of a half a million dollars from the originally
5 negotiated price. The overall price per acre --
6 GOVERNOR BUSH: I'm sorry, say it again. 250,000 is?
7 MS. CASTILLE: For a total reduction of over a half a
8 million dollars that the Board would pay based on the
9 appraised value, the approved value.
10 GOVERNOR BUSH: Approved value? We haven't approved
11 it. Appraised value.
12 MS. CASTILLE: Approved value comes from the
13 appraisal process.
14 GOVERNOR BUSH: Okay.
15 MS. CASTILLE: The overall price per acre is \$3,390.
16 The conservation easement and full fee value to full fee
17 appraised value is 66 percent. The easement to full fee
18 value to conservation easement is 87 percent of the
19 approved value. Additionally, the name of the park will
20 be changed to Letchworth Love Mounds State Park --
21 GOVERNOR BUSH: Why is that?
22 MS. CASTILLE: Mr. Booth would like to have
23 recognition of his mother who has been a long-time
24 activist in the community, to recognize her in the -- it's
25 the same thing we did with Mr. Letchworth. It was

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1 Letchworth property when we purchased it and he asked for¹⁶³
2 us to name it Letchworth.

3 GOVERNOR BUSH: Okay.

4 MS. CASTILLE: Additionally, just to -- archeologist
5 Ryan Wheeler is here and he spent several days on the
6 property and I would like for him to go over some of the
7 artifacts that he found as they did their survey. Ryan.

8 MR. WHEELER: I think everybody got a copy of the
9 little report that we prepared since the last time we made
10 a presentation to the cabinet. This is just an image of
11 the large Letchworth mound. This is a profile seen from
12 the fence line. This is sort of the layout of the
13 existing park. You can see the large mound here. The two
14 mounds that Commissioner Gallagher mentioned are -- that
15 we located are on the Booth parcels.

16 I'm sorry, what's that?

17 GOVERNOR BUSH: The two former mounds?

18 MR. WHEELER: No, they're actually still there.

19 GOVERNOR BUSH: I thought you said they were
20 bulldozed.

21 MR. WHEELER: No, I don't know where -- that
22 information is not true. This is one of them. I'm
23 standing on top of it and this young lady who works for us
24 is standing at the base of it. These are not very large
25 mounds. One of the things that I addressed in the report

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1 was that most of the mounds that make up this complex are¹⁶⁴
2 not big mounds. They're not like the big Letchworth

3 mound. They're not like the big mounds at Lake Jackson.
4 They're about 50 or 100 feet in diameter and about 3 feet
5 tall. They're still there. We found them. There are
6 probably some other mounds that are located on this
7 property as well.

8 This sort of indicates where they're located. This
9 is the mound I just showed you the picture of. We did
10 find some human bones that were on the surface of this
11 mound that had been eroding out of it that we did rebury
12 while we did our project.

13 CFO GALLAGHER: Where are the mounds --

14 MR. WHEELER: I'm sorry, what's that?

15 CFO GALLAGHER: Which mounds did they set up? I
16 guess they got corn or something growing.

17 MR. WHEELER: Oh, those are actually other kinds of
18 archeological sites but not mound sites. There's
19 essentially two kinds of archeological sites that we
20 identified on this property. The mound sites are all
21 located within the existing state park and the proposed
22 addition to the park.

23 The other sites that we identified are primarily what
24 are called scatter sites. Those are the places where
25 there has been continuing agricultural uses. Some of them

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1 are simply places where there are pieces of pottery or
2 flint chips, neither quite common in sort of the
3 Tallahassee red hills area. Both of these very high
4 hills, this one located in Leon County, this one down in
5 the Jefferson County part, have a very high concentration
6 of these sites. They are essentially places where there

7 are pieces of arrow heads, pieces of pottery that are
8 indications of where people have lived in the past.

9 GOVERNOR BUSH: Where is the state park on this?

10 MR. WHEELER: This is the state park, right here.

11 GOVERNOR BUSH: Oh, I see it. I'm sorry.

12 MR. WHEELER: This is, in kind of the turquoise color
13 is the proposed addition. The red outline shows the
14 boundaries of the Letchworth complex.

15 GOVERNOR BUSH: And just to refresh my memory, have
16 we tried to buy the parts of this that truly get past the
17 threshold that you were describing as significant and
18 allowed the person to develop the property as he sees fit?

19 MS. CASTILLE: We did try to do that, Governor. It
20 was prior to this second survey being done. And Mr. Booth
21 was willing to do that, come to us. In fact, he had
22 called me the day we got the survey and he said, why don't
23 we just develop the uplands and I'll sell you the wetlands
24 surrounding it and then we won't have any of these issues.
25 When we came back with a survey, as you can see, the

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1 uplands are where the archeological significance are. ¹⁶⁶ And
2 so that's when he said to me, why don't we just go forward
3 with the deal that we were originally working on.

4 MR. WHEELER: Out of the sites that are located on
5 the proposed conservation easement, there are three that
6 we recognized as being very significant. This is one that
7 contains evidence of an occupation that dates to the same
8 time period as the Letchworth mounds. The other one is
9 down here in the lake drain. This is a quarry site where

10 American Indians were essentially gathering chert and
11 flint that we found, they were probably involved in
12 exchanging to other parts of south Georgia and north
13 Florida.

14 The other interesting site that we located is over
15 here in the southeast corner of the property. And it has
16 evidence of a Spanish mission and Seminole Indian
17 component which is quite rare in this area, probably early
18 part of the 19th century. Some of the artifacts that we
19 found, this is a photograph of the -- and this is one of
20 the food plots that Commissioner Gallagher mentioned.
21 This one is on the mission period Seminole occupation.
22 One of the artifacts that we found there was a little
23 charred corn cob. Other kinds of artifacts that we found
24 were prehistoric ceramics. These sherds are called
25 Chattahoochee brush and they're indicative of the Seminole

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1 Indian occupation of the property.

2 One of the things that I did want to mention, we
3 talked a little bit about the very small size of the
4 Indian mounds that are on the proposed additions.
5 Oftentimes people think, well, if it's a big mound, that's
6 important. If it's a small mound, somehow it's not
7 important at all. I put several examples of small Indian
8 mounds in the report that we wrote. This is a photograph
9 of an extremely small mound being excavated on Piney Z
10 Lake. This is dating to a period a little bit earlier
11 than the Letchworth site but it's very similar in size.
12 And you'd probably walk right past it if you were
13 wandering around --

14 GOVERNOR BUSH: Well, how many of these are there all
15 around north Florida? Thousands? Hundreds? Ten? One?
16 I mean, are we going to buy up all the land to deal with
17 these little mounds?

18 MR. WHEELER: Well, there's only one Letchworth mound
19 complex and it's an extremely good example of this kind of
20 city of the dead.

21 GOVERNOR BUSH: That's a good retort. But now you
22 can answer my question.

23 MR. WHEELER: Well, we know of about 28,000
24 archeological sites throughout the state which probably
25 only represents 10 or 20 percent of the prehistoric sites

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1 and historic sites that exist.

2 GOVERNOR BUSH: Okay. So now we're getting
3 somewhere. In terms of -- I assume you can grade these in
4 terms of their importance. This addition to the mound
5 we've already purchased, where would you rank it?

6 MR. WHEELER: Oh, it's definitely --

7 GOVERNOR BUSH: Half of Miami circle? A full Miami
8 circle?

9 MR. WHEELER: I like that. I think we're going to
10 adopt that as a rating scale. (Laughter.) Our agency has
11 considered this to be a site that is eligible for listing
12 on the National Register of Historic Places. The reason
13 that we haven't done a nomination yet is we have a draft
14 nomination but we were waiting to find out whether or not
15 we were going to be able to nominate the whole site.

16 GOVERNOR BUSH: But that doesn't quite answer my

17 question. Because you already purchased the principal
18 mound that you're -- so I'm asking the incremental at what
19 we're looking at here. In isolation, how does that rate?

20 MR. WHEELER: Well, I think that the thing to keep in
21 mind too is that these are not, the little mounds are not
22 simply isolated features. The boundaries of the
23 prehistoric archeological site are on this map in red.
24 And so the mounds are probably the most obvious features
25 of the archeological site. But there are also things like

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1 plaza areas. There's all the archeological deposits that ¹⁶⁹
2 are buried under the ground that are part of this.

3 There are also natural features that are part of this
4 archeological site like the sinkhole pond that's evident
5 on here. That probably has a lot to do with the reason
6 that the big mound was sited where it was. And that is on
7 this proposed addition. And so I think the thing that's
8 important isn't just the individual mounds, it's the sense
9 of place or the sense of this prehistoric city.

10 GOVERNOR BUSH: But you're going to apply for the,
11 whatever the national thing is called whether we buy this
12 or not?

13 MR. WHEELER: We will probably proceed with that but
14 we'll have a hard time because the National Park Service
15 does not like to split boundaries. We'd probably only be
16 able to nominate the part of the site that the State owns.

17 GOVERNOR BUSH: Sure, but you're going to -- that's
18 my point.

19 MR. WHEELER: And we may not wind up being able to
20 get it listed because the National Park Service would

21 probably have a boundary issue. They would say, well, why
22 are you only nominating part of this site. And we would
23 say, well, because we only own part of it.

24 GOVERNOR BUSH: Because we couldn't buy just the part
25 that was archeological because we had to buy the whole

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1 darn thing to allow for a guy to -- you know, not have ¹⁷⁰
2 it -- not be fully -- we won't be able to fully access it
3 unless there is any change in that.

4 MS. CASTILLE: He has agreed to access four months of
5 the year that would be complementary to the hunting season
6 so that we don't have people hiking on the property. But
7 he's also agreed to allow research folks on it at any
8 time.

9 COMMISSIONER BRONSON: Governor, isn't this -- and I
10 know there is some consternation here about the price for
11 the conservation easement and compared to what all is
12 going on here and the historical sites, but is there any
13 indication of using this as an educational site for
14 children, for schools to learn about Indian cultures or
15 anything that can be added to the feature of the
16 acquisition of the other piece of land and to do the
17 conservation easement?

18 There's got to be some type of benefit here other
19 than the fact that there are mounds there. Like they just
20 said, there's like 28,000 sites that could be listed in
21 the state of Florida. Most, a good bit, on private land
22 because I know some sites that are much higher mounds than
23 this that are on private land. But the point is whether

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or not they can be used for education or something that
25 goes along with the use of this land and whether or not

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1 these other sites would be disturbed that are off the ¹⁷¹
2 state land site that could be utilized in some type of
3 education assuming Mr. Booth agreed to that. And so I
4 think that's a question that ought to be answered as well.

5 MS. CASTILLE: Well, Mr. Booth has actually been very
6 agreeable in working out issues of access and research on
7 this. What I'm here to show today is the Mckeethan
8 (phonetic) Indian complex around the southeast United
9 States and other related cultures like this.

10 As I explained at the last cabinet meeting, we have
11 the Mckeethan mound which is over near Lake City which
12 showed the two primary mounds and then all the hearth
13 complexes around it which is where we find a lot of those
14 archeological finds, not necessarily at the big ceremonial
15 mound.

16 And I had been to -- I have a vision of this in my
17 head and I had been to Georgia where they had a very
18 similar complex such as this that they made into state
19 park. It's called Kolomoki Mounds State Park. And at
20 Kolomoki Mounds, interestingly enough, they have a
21 ceremonial mound just as we do although I think ours is
22 larger. Isn't this the largest one?

23 MR. WHEELER: I think the Kolomoki one might be a
24 little bigger than ours and probably more interesting
25 architecturally.

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1 MS. CASTILLE: Okay. More interesting

2 architecturally. I knew he liked ours better.

3 GOVERNOR BUSH: Unlike fishing, size doesn't matter
4 here, it's the quality.

5 MS. CASTILLE: But one of the things that we --

6 GOVERNOR BUSH: So why --

7 MS. CASTILLE: But one of the things that they did
8 that we don't do anymore --

9 GOVERNOR BUSH: Give us another picture other than
10 the mound because you got the mound right now and you can
11 invest --

12 MS. CASTILLE: Here's what they used to do when it
13 came to -- what we used to do as government when it came
14 to park mounds. This is a burial mound that had a
15 building built on it so that you could go inside the
16 building and see inside the mound. There is a glass wall
17 on either side of the pie shape of the mound. We, of
18 course, would not like to do that. We have a greater
19 opportunity for respecting this culture and to learning
20 more before it as well. And if you look again at the
21 mound at Kolomoki, here it doesn't look like a mound. And
22 as Ryan noted earlier, the smaller the mound, sometimes
23 the more important the archeological finds on those
24 mounds.

25 CFO GALLAGHER: Go back there. They got a mound.

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1 You sign deeds prohibiting so what do you do with the
2 mound, just look at it as grass or what?

3 MS. CASTILLE: They have done the mounds. Inside the
4 building they show what the culture looked like. There's
5 a film -- isn't there a film, Bob, that shows the culture
6 is, how the archeological research went, and giving
7 citizens of all ages the opportunity to learn about the
8 culture and our historic ancestry. We do have one other
9 speaker -- two other speakers that I would like to bring
10 up before --

11 MR. WHEELER: I'd like to answer two of those
12 questions. One, Commissioner Bronson, our office actually
13 has already conducted an archeological field school in
14 conjunction with FSU on the state part of the
15 archeological site. We did that last year. And I talked
16 with head of the anthropology department there and she was
17 very interested in continuing our agreement to conduct
18 research in conjunction with FSU if in fact the deal is
19 approved and we had access to the rest of the
20 archeological site as well as the site on the conservation
21 easement.

22 So in terms of education, we would sort of look at
23 this as perhaps an archeological laboratory that we would
24 work with FSU on. Commissioner Gallagher, in terms of
25 your question, there is -- one of the approaches that

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1 we've taken to this site is to be very respectful of the
2 mounds. Because as we have discovered, they do probably
3 all contain unmarked human burials. All of the research
4 we've done pretty much focused on the areas around the
5 mound so we're not digging up human remains. But, also,
6 we've been trying to work with people that do remote

7 sensings, radar, reseatib (phonetic), other kinds of
8 scientific means of investigating these mound sites
9 without ever actually digging in them. And we did a
10 project like that at the Letchworth mound site last year
11 and earlier this year with the folks from Arkansas
12 Archeological Survey. So there are things we can do with
13 these sites without actually ever putting a shovel in the
14 ground and yet it's, at the same time, respecting the
15 cultures that created them.

16 GOVERNOR BUSH: All right. Let's hear the speakers.

17 MS. CASTILLE: Eric Draper from Audubon Society.

18 MR. DRAPER: Waive my time. Just support the
19 project.

20 MS. CASTILLE: Supporting the project. And Chief
21 Randy King from the Muscogee -- Central Florida Muscogee
22 Creek Indian Nation.

23 GOVERNOR BUSH: Welcome, sir.

24 MR. KING: Thank you. Good afternoon. Governor, I
25 appreciate the opportunity to speak with you and your

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1 cabinet on this this afternoon. See some old friends up
2 there. Commissioner Bronson and some others. Our main
3 interest is native Florida Indian people certainly would
4 be the burial sites as you should assume. By placing the
5 land in the state ownership I think you know the
6 protection that those burial sites automatically retain at
7 that point. This is a very sacred ceremonial site and I
8 want to get away from all of the science for just a
9 second, just talk plain.

10 This is probably one of the largest ceremonial sites
11 in the state of Florida. It contains and exists as the
12 largest mound in the state of Florida, ceremonial mound.
13 It also is one of the few sites in the state that all
14 three of the existing tribes that are left in the state,
15 native Florida tribal groups, occupy. And that's a rare
16 piece of the archeological history, so to speak. And
17 brings it, the cultural history, all the way from the
18 ancient to very modern.

19 The Department of Environmental Protection, the park
20 service, has always done a fabulous job with these parks.
21 They've protected the archeological integrity, they've
22 protected the dead with the Department of Law Enforcement
23 and we greatly appreciate their work with these parks and
24 they do a beautiful job. I heard talk about education.
25 Commissioner, you know that the park rangers quite often

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1 have school groups that come out and the rangers walk them ¹⁷⁶
2 through and discuss all of the historical value in the
3 past of those sites. And I, myself, have been invited by
4 the Department of Environmental Protection to numerous
5 state parks around the state to speak on our native
6 culture as a direct descendant of these people. It's been
7 a privilege to help them. I'm privileged to be here today
8 to speak on their behalf of the importance of this site.
9 The native Florida Indian people that I represent do feel
10 that it is very important, which is why I'm here today.
11 And we would appreciate your thoughts and serious
12 consideration for the protection of our dead there with
13 this purchase and I'd also like to say I worked for your

14 father in the white House in the early '90s and we did a
15 lot for Native Americans. I hope we can do something
16 today. Thank you.

17 GOVERNOR BUSH: Thank you, sir.

18 MS. CASTILLE: That concludes our speakers and our
19 presentation. If there are any other questions, I have
20 numerous folks here, appraisers, surveyors, lawyers. We
21 have a lot of lawyers.

22 GOVERNOR BUSH: Do we have a motion?

23 MS. CASTILLE: Go ahead, sir.

24 GOVERNOR BUSH: I'm sorry?

25 MS. CASTILLE: This is Mr. Greenman. He represents
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1 Mr. Booth and he is just now telling us that Mr. Booth ¹⁷⁷
2 said that -- I'll let you tell him.

3 MR. GREENHEIM: My name is Steve Greenheim. I'm with
4 Pappas Metcalf and I represent Mr. Booth. I went out and
5 I called Mr. Booth and he's fine with having
6 schoolchildren and education visits to the property during
7 the four-month period that the hunters aren't out there.
8 He also said that all the mounds had been marked with a
9 marker and that none of the mounds have been destroyed.

10 COMMISSIONER BRONSON: I guess I'm going to be the
11 one to stretch this one and say I'll make the motion with
12 the understanding that this would be used for educational
13 purposes for historic Indian sites so there could be other
14 uses for this property that we're considering here.
15 Considering the price that's on it, I know there is some
16 consternation, but I'm going to go ahead and make a

17

motion.

18

GOVERNOR BUSH: There's a motion.

19

General, you have a question?

20

GENERAL CRIST: Madam Secretary, I was just curious.

21

Is the primary purpose in order to preserve the

22

archeological advantages that exist on the property from

23

the State's perspective? Is that why you're recommending

24

this?

25

MS. CASTILLE: Yes, sir. And the primary motivation

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for doing the whole conservation easement is to preserve

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the whole site as the culture existed back then and to be

3

able to do the archeological research to give us the

4

education and information on how that culture lived back

5

in those times thousands of years ago.

6

GENERAL CRIST: But for the State's purchase would

7

that not occur? would it not be protected?

8

MS. CASTILLE: That's correct, sir.

9

GENERAL CRIST: I'll second.

10

MS. CASTILLE: It would not be protected in its

11

current existence.

12

GOVERNOR BUSH: There is a motion and a second. Any

13

discussion? All in favor say aye.

14

(Aye.)

15

All opposed.

16

(No response.)

17

Motion carries.

18

MS. CASTILLE: Thank you, Governor and members of the

19

cabinet. And I have one little thing that I would like to

20

present to you. In recognition of your efforts on the --

21 on buying the oil leases from the -- from the former
22 owners of Coastal Petroleum, we have historic release of
23 leases for you to keep in your memoirs.

24 (Thereupon, the proceeding concluded at 1:10 p.m.)
25

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CERTIFICATE OF REPORTER

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4 STATE OF FLORIDA)

5 COUNTY OF LEON)

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10 I, KRISTEN L. BENTLEY, Court Reporter, certify that
11 the foregoing proceedings were taken before me at the time and
12 place therein designated; that my shorthand notes were
13 thereafter translated under my supervision; and the foregoing
14 pages numbered 1 through 178 are a true and correct record of
15 the aforesaid proceedings.

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DATED this 24th day of August, 2005.

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KRISTEN L. BENTLEY, RPR
Court Reporter
Notary Public
850-878-2221

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